GROSVENOR PLACE CLO 2013-1 B.V.

(a private company with limited liability incorporated under the laws of The Netherlands, having its statutory seat in Amsterdam)

€202,125,000 Class A-1 Senior Secured Floating Rate Notes due 2026
€46,375,000 Class A-2 Senior Secured Floating Rate Notes due 2026
€21,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2026
€18,375,000 Class C Senior Secured Deferrable Floating Rate Notes due 2026

This Offering Circular incorporates the final Offering Circular dated 5 December 2013 (the "**2013 Offering Circular**") relating to the Original Notes (as defined below). Capitalised terms used herein and not otherwise defined shall have the meanings given to such terms in the 2013 Offering Circular or in the Trust Deed (as defined below). The 2013 Offering Circular is attached hereto as Annex A.

The assets securing the Refinancing Notes (as defined below) will consist, and the assets securing the Original Notes (as defined below) consist, of a portfolio of primarily Senior Obligations, Mezzanine Obligations and High Yield Bonds managed by CQS Investment Management Limited (the "**Collateral Manager**").

On 5 December 2013 (the "**Original Issue Date**"), Grosvenor Place CLO 2013-1 B.V. (the "**Issuer**") issued €202,125,000 Class A-1 Senior Secured Floating Rate Notes due 2026 (the "**Original Class A-1 Notes**"), €46,375,000 Class A-2 Senior Secured Floating Rate Notes due 2026 (the "**Original Class A-2 Notes**" and, together with the Original Class A-1 Notes, the "**Original Class A Notes**"), €21,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2026 (the "**Original Class B Notes**"), €18,375,000 Class C Senior Secured Deferrable Floating Rate Notes due 2026 (the "**Original Class C Notes**"), the Class D Notes, the Class E Notes and the Subordinated Notes (collectively, the "**Original Notes**"). The Original Notes were issued and secured pursuant to a trust deed (the "**Trust Deed**") dated 5 December 2013 (as amended on 23 January 2015, 3 March 2016 and 21 December 2016), made between (amongst others) the Issuer and Deutsche Trustee Company Limited, in its capacity as trustee (the "**Trustee**").

On 21 December 2016 (the "**Amendment Date**"), the Issuer deemed the Original Class A-1 Notes, the Original Class A-2 Notes, the Original Class B Notes and the Original Class C Notes to be in the form of CM Voting Notes and permitted holders of such Original Notes to exchange their Original Notes into new sub-classes comprising CM Non-Voting Exchangeable Notes and CM Non-Voting Notes pursuant to an amendment deed dated the Amendment Date. The Original Class A-1 Notes, the Original Class A-2 Notes, the Original Class B Notes and the Original Class C Notes as so amended are referred to herein as the "**Refinanced Notes**".

On or about 20 April 2017 (the "**Refinancing Date**", and with respect to the Refinanced Notes, shall be the Redemption Date), the Issuer will, subject to certain conditions, refinance the Original Class A Notes, the Original Class B Notes and the Original Class C Notes (in each case, as amended on the Amendment Date) by redeeming the Refinanced Notes and issuing €202,125,000 Class A-1 Senior Secured Floating Rate Notes due 2026 (the "**Class A-1 Notes**"), €46,375,000 Class A-2 Senior Secured Floating Rate Notes due 2026 (the "**Class A-2 Notes**", and together with the Class A-1 Notes, the "**Class A Notes**"), €21,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2026 (the "**Class B Notes**") and €18,375,000 Class C Senior Secured Deferrable Floating Rate Notes due 2026 (the "**Class C Notes**" and, together with the Class A Notes and the Class B Notes, the "**Refinancing Notes**" and, together with the Class D Notes, the Class E Notes and the Subordinated Notes, the "**Notes**").

The Refinancing Notes will be issued and secured pursuant to a Supplemental Trust Deed (the "**Supplemental Trust Deed**") dated on or about 20 April 2017 (the "**Issue Date**"), made between, amongst others, the Issuer and Deutsche Trustee Company Limited, in its capacity as trustee (the "**Trustee**").

Interest on the Refinancing Notes will be payable (i) quarterly in arrear on 20 January, 20 April, 20 July and 20 October at any time prior to the commencement of a Frequency Switch Period, and (ii) semi-annually in arrear (A) on 20 January and 20 July (where the Payment Date immediately prior to the commencement of the Frequency Switch Period is either 20 January or 20 July) or (B) on 20 April or 20 October (where the Payment Date immediately prior to the commencement of the Frequency Switch Period is either 20 April or 20 October) (subject to adjustment for non-Business Days in accordance with the Conditions), commencing on 20 July 2017 and ending on the Maturity Date in accordance with the Priorities of Payments.

The Refinancing Notes will be subject to Optional Redemption, Mandatory Redemption and Special Redemption, each as described in the 2013 Offering Circular (although are excluded from the redemption rights

set out under Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Subordinated Noteholders*) and may therefore not be refinanced in future). See Condition 7 (*Redemption and Purchase*).

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

IN RELIANCE ON THE STATEMENTS OF THE DIVISION (AS DEFINED HEREIN) IN THE NO ACTION LETTER (AS DEFINED HEREIN), THE COLLATERAL MANAGER HAS INFORMED THE ISSUER AND THE INITIAL PURCHASER THAT IT IS NOT RETAINING A RISK RETENTION INTEREST AS CONTEMPLATED BY THE U.S. RISK RETENTION RULES IN CONNECTION WITH THE ISSUANCE OF THE REFINANCING NOTES AND THE REFINANCING OF THE REFINANCED NOTES CONTEMPLATED HEREUNDER. SEE "*U.S. CREDIT RISK RETENTION*" HEREIN.

This Offering Circular does not constitute a prospectus for the purposes of Article 5 of Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). The Issuer is not offering the Refinancing Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive. Application has been made to The Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Refinancing Notes to be admitted to the Official List and trading on the Global Exchange Market of the Irish Stock Exchange (the "**Global Exchange Market**") which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC (the "**MiFID**"). It is anticipated that listing will take place on or about the Issue Date. There can be no assurance that any such listing will be maintained. Application has been made to the Irish Stock Exchange to approve this document as listing particulars. This Offering Circular constitutes listing particulars for the purpose of this application and has been approved by the Irish Stock Exchange.

The Refinancing 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. The net proceeds of the realisation of the security over the Collateral upon acceleration of the Refinancing Notes following an Event of Default may be insufficient to pay all amounts due on the Refinancing Notes after making payments to other creditors of the Issuer ranking prior thereto or *pari passu* therewith. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets (including the Issuer Dutch Account and the rights of the Issuer under the Issuer Management Agreement) of the Issuer will not be available for payment of such shortfall, all claims in respect of which shall be extinguished. See Condition 4 (*Security*).

The Refinancing Notes have not been 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 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**")), in each case, who are both qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and qualified purchasers for the purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Issuer will not be registered under the Investment Company Act. Interests in the Refinancing Notes will be subject to certain restrictions on transfer, and each purchaser of the Refinancing Notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. See "*Plan of Distribution*" herein and "*Transfer Restrictions*" in the 2013 Offering Circular.

The Refinancing Notes are being offered by the Issuer through Deutsche Bank AG, London Branch or an affiliate thereof in its capacity as initial purchaser of the offering of such Refinancing Notes (the "**Initial Purchaser**") subject to prior sale, when, as and if delivered to and accepted by the Initial Purchaser, and to certain conditions. It is expected that delivery of the Refinancing Notes will be made on or about the Issue Date. The Initial Purchaser may offer the Refinancing Notes at prices as may be negotiated at the time of sale which may vary among different purchasers.

Deutsche Bank AG, London Branch
Sole Arranger and Initial Purchaser

The date of this Offering Circular is 20 April 2017

*The Issuer accepts responsibility for the information contained in this document (save for the Collateral Manager Information, the Collateral Administrator Information and the Liquidity Facility Provider Information) and, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information included in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Manager accepts responsibility for the information contained in the sections in this document headed "Risk Factors – Certain Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates", "Description of the Collateral Manager", the second sentence of the section in this document headed "U.S. Retention Requirements", the second sentence of the second paragraph of the section in this document headed "Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules", and for the second paragraph of the section in this document headed "U.S. Credit Risk Retention" (together, the "**Collateral Manager Information**"). To the best of the knowledge and belief of the Collateral Manager (which has taken all reasonable care to ensure that such is the case), the Collateral Manager Information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Administrator accepts responsibility for the information contained in the 2013 Offering Circular headed "Description of the Collateral Administrator" (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), the Collateral Administrator Information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Liquidity Facility Provider accepts responsibility for the information contained in the 2013 Offering Circular headed "Description of the Liquidity Facility Provider" (the "**Liquidity Facility Provider Information**"). To the best of the knowledge and belief of the Liquidity Facility Provider (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. Except for the Collateral Manager Information, in the case of the Collateral Manager, the Collateral Administrator Information, in the case of the Collateral Administrator and the Liquidity Facility Provider Information, in the case of the Liquidity Facility Provider, none of the Collateral Manager, the Retention Holder, the Collateral Administrator or the Liquidity Facility Provider accept any responsibility for the accuracy and completeness of any information contained in this Offering Circular. The delivery of this Offering Circular at any time does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.*

The Collateral Manager Information, the Collateral Administrator Information and the Liquidity Facility Provider Information has been reproduced from information published by, respectively, the Collateral Manager, the Collateral Administrator and the Liquidity Facility Provider. The Issuer has only made very limited enquiries with regards to the accuracy and completeness of the Collateral Manager Information, the Collateral Administrator Information and the Liquidity Facility Provider Information. As far as the Issuer is aware and is able to ascertain from information published by the Collateral Manager, the Collateral Administrator and the Liquidity Facility Provider, 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 Refinancing Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the accuracy and completeness of the Collateral Manager Information, the Collateral Administrator Information and the Liquidity Facility Provider Information.

*None of the Initial Purchaser, Deutsche Bank AG, London Branch in its capacity as sole arranger (the "**Sole Arranger**"), the Trustee, the Retention Holder, the Liquidity Facility Provider, any Agent, any Hedge Counterparty or any other party has separately verified the information contained in this Offering Circular and, accordingly, none of the Initial Purchaser, the Trustee, the Collateral Manager (save as specified above), the Collateral Administrator (save as specified above), the Liquidity Facility Provider (save as specified above), any Agent, any Hedge Counterparty, or any other party (save for the Issuer as specified above) 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 Refinancing Notes or their distribution or accepts any responsibility or liability therefor. None of the Initial Purchaser, the Sole Arranger, the Trustee, the Collateral Manager, the Collateral Administrator, the Liquidity Facility Provider, any Agent, any Hedge Counterparty 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 Refinancing Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular. None of the Initial Purchaser, the Sole Arranger, the Trustee, the Collateral Manager, the Collateral Administrator, the Liquidity Facility Provider, the Retention Holder, any Agent, any Hedge Counterparty (in each case other than as specified above) or any other*

party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Sole Arranger, the Initial Purchaser, the Collateral Manager, the Collateral Administrator, any of their respective Affiliates or any other person to subscribe for or purchase any of the Refinancing Notes. The distribution of this Offering Circular and the offering of the Refinancing Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Initial Purchaser 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 Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth 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 Refinancing Notes and distribution of this Offering Circular, see "Plan of Distribution" below and "Transfer Restrictions" in the 2013 Offering Circular. The Refinancing Notes are not intended to be sold and should not be sold to retail investors.

In connection with the issue and sale of the Refinancing 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 Trustee, the Collateral Manager or the Collateral Administrator. 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.

*In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "**Euro**", "**euro**", "**€**" and "**EUR**" are to the lawful currency of the member states of the European Union 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 or states ceases to have such single currency as its lawful currency (such member state(s) being the "**Exiting State(s)**"), the euro shall, for the avoidance of doubt, mean for all purposes 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) and any references to "**US Dollar**", "**US dollar**", "**USD**", "**U.S. Dollar**" or "**$**" shall mean the lawful currency of the United States of America. "**GBP**" or "**£**" shall mean the lawful currency of the United Kingdom.*

Each of Moody's and Fitch are established in the EU and are registered under Regulation (EC) No 1060/2009.

Any websites referred to herein do not form part of this Offering Circular.

In connection with the issue of the Refinancing Notes, no stabilisation will take place and Deutsche Bank AG, London Branch will not be acting as stabilising manager in respect of the Refinancing Notes.

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

EU RETENTION REQUIREMENTS

Investors are directed to the further descriptions of the Retention Requirements in "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements*" and "*The Retention Holder and Retention Requirements*" below.

Each prospective investor in the Refinancing 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 Retention Requirements or any other regulatory requirement. None of the Issuer, the Sole Arranger, the Collateral Manager, any Related Entity, 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 Retention Requirements. Each prospective investor in the Refinancing Notes which is subject to the Retention Requirements or any other regulatory requirement should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and any other requirements of which it is uncertain.

U.S. RETENTION REQUIREMENTS

On July 17, 2015, the SEC published a letter (the "**No Action Letter**") in response to the letter of Crescent Capital Group LP ("**Crescent**"), in which the SEC indicated that it would not recommend enforcement action by the SEC against Crescent if it did not retain an eligible retention interest in connection with a refinancing of notes issued in a transaction that closed prior to publication of the U.S. Risk Retention Rules in the Federal Register which meets the terms and conditions set forth in the No Action Letter. In reliance on the statements of the SEC in the No Action Letter, the Collateral Manager has informed the Issuer and the Initial Purchaser that it does not intend to comply with the U.S. Risk Retention Rules (as defined herein) in respect of the refinancing transaction described in this Offering Circular. It should be noted that the position of the SEC is based on the representations made to the SEC and that different facts or conditions might require the SEC to reach a different conclusion. The No Action Letter only expresses the SEC's position on enforcement action and does not express any legal conclusion on the question presented. Reliance on the No Action Letter does not preclude the availability of any applicable private rights of action for any violation of the federal securities laws. See "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules"*.

VOLCKER RULE

Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") prevents "banking entities" as defined under the Volcker Rule (which would include U.S. and non-U.S. affiliates of U.S. and non-U.S. banking institutions subject to the rule) from (i) conducting proprietary trading activities in a wide variety of financial instruments unless the transaction is excluded from the scope of the rule (e.g. if conducted solely for hedging purposes), and (ii) except as permitted by the rule, acquiring or retaining any equity, partnership, or other ownership interest in, or sponsoring, any "hedge fund" or "private equity fund", together "covered funds", as defined in the Volcker Rule.

An "ownership interest" is broadly defined in the Volcker Rule and may arise through a holder's exposure to the profit 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, general partner, board of directors or similar governing body of the covered fund.

The Issuer may be deemed to be a "covered fund" under the Volcker Rule and, in such circumstances, in the absence of regulatory relief, the provisions of the Volcker Rule and its related regulatory provisions will severely limit the ability of "banking entities" and their affiliates to acquire or retain an ownership interest in the Issuer and, with respect to banking entities which have certain business relationships with the Issuer, to enter into certain financial transactions (including credit related transactions) with the Issuer. If the Issuer is deemed to be a "covered fund", this could significantly impair the marketability and liquidity of the Refinancing Notes.

It is uncertain whether any of the Refinancing Notes may be characterised as ownership interests. The Transaction Documents have been drafted in a manner so as to disenfranchise the holders of any Refinancing Notes in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes in respect of any CM

Removal Resolution or CM Replacement Resolution for the purpose of excluding such Refinancing Notes from the definition of "ownership interest". However, there can be no assurance that these steps will be effective in causing investments in the Issuer by U.S. or non-U.S. banking entities subject to the Volcker Rule (whether in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes or otherwise) to be deemed not to be an "ownership interest" in the Issuer.

Each prospective investor in the Refinancing Notes is required to independently consider the potential impact of the Volcker Rule in respect of any investment in the Refinancing Notes and none of the Issuer, the Collateral Manager, the Initial Purchaser, the Trustee, the Collateral Administrator, any Agent or the Sole Arranger makes any representation regarding such investment, including with respect to the ability of any investor to acquire or hold the Refinancing Notes, now or at any time in the future in compliance with the Volcker Rule or any other applicable laws. See "*Risk Factors – Regulatory Initiatives – Volcker Rule*" below.

Information as to placement within the United States

The Refinancing Notes of each Class offered pursuant to an exemption from registration requirements under Rule 144A under the Securities Act ("**Rule 144A**") (the "**Rule 144A Notes**") may only be sold within the United States to persons and outside the United States to U.S. Persons (as such term is defined in Regulation S), in each case, who are "qualified institutional buyers" (as defined in Rule 144A)) ("**QIBs**") that are also "qualified purchasers" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). 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, in some cases, by definitive certificates (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 Depository Trust Company ("**DTC**") or, in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Refinancing Notes of each Class sold outside the United States to non-U.S. Persons in reliance on Regulation S ("**Regulation S**") under the Securities Act (the "**Regulation S Notes**") 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, in some cases, 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 common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**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 DTC, Euroclear and Clearstream, Luxembourg and their respective participants. Except as described herein, Notes in definitive certificated form will be issued 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 "*Plan of Distribution*" below and "*Form of the Notes*", "*Book Entry Clearance Procedures*" and "*Transfer Restrictions*" in the 2013 Offering Circular.

The Issuer has not been registered under the Investment Company Act. Each purchaser of an interest in the Refinancing Notes (other than a non-U.S. Person outside the U.S.) will be deemed to have represented and agreed that it is both a QIB and a QP and will also be deemed to have made the representations set out in "*Transfer Restrictions*" in the 2013 Offering Circular . The purchaser of any Refinancing Note, by such purchase, agrees that such Refinancing Note is being acquired for its own account and not with a view to distribution (other than in the case of the Initial Purchaser) 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 which is also a QP, in a transaction meeting the requirements of Rule 144A, or (3) outside the United States to 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*" in the 2013 Offering Circular.

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

THE REFINANCING 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.

This Offering Circular has been prepared by the Issuer solely for use in connection with the offering of the Refinancing Notes described herein (the "**Offering**"). Each of the Issuer and the Initial Purchaser reserves the right to reject any offer to purchase Refinancing Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of any Class of Refinancing Notes offered hereby. This Offering Circular is personal to each offeree to whom it has been delivered by the Issuer, the Initial Purchaser 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 Refinancing Notes. Distribution of this Offering Circular to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. 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.

Available Information

To permit compliance with the Securities Act in connection with the sale of the Refinancing 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 Refinancing 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 United States Securities Exchange Act of 1934, as amended, 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 also be obtained during usual business hours free of charge at the office of the Principal Paying Agent.

General Notice

EACH PURCHASER OF THE REFINANCING NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH REFINANCING 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 SECURITIES 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 SOLE ARRANGER, THE INITIAL PURCHASER, THE RETENTION HOLDER, THE COLLATERAL MANAGER, THE TRUSTEE OR THE COLLATERAL ADMINISTRATOR SPECIFIED HEREIN (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE REFINANCING NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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TRANSACTION 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 (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) of the Conditions or are defined elsewhere in this Offering Circular. It should be read in conjunction with, and supplements and amends, the section entitled "Overview" beginning on page 1 of the 2013 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" and references to "Conditions" are to the "Terms and Conditions". For a discussion of certain risk factors to be considered in connection with an investment in the Refinancing Notes, see "Risk Factors".*

Issuer	Grosvenor Place CLO 2013-1 B.V. (a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands).
Collateral Manager	CQS Investment Management Limited.
Trustee	Deutsche Trustee Company Limited.
Initial Purchaser	Deutsche Bank AG, London Branch.
Collateral Administrator	Deutsche Bank AG, London Branch.
Account Bank	Elavon Financial Services DAC
Custodian	Elavon Financial Services DAC

Refinancing Notes

Class of Notes	Principal Amount	Initial Stated Interest Rate[1]	Alternative Stated Interest Rate[2]	Moody's Ratings of at least[3]	Fitch Ratings of at least[3]	Maturity Date	Initial Offer Price[4]
A-1	€202,125,000	3 month EURIBOR + 0.93%	6 month EURIBOR + 0.93%	"Aaa (sf)"	"AAAsf"	20 October 2026	100.00 per cent.
A-2	€46,375,000	3 month EURIBOR + 1.40%	6 month EURIBOR + 1.40%	"Aa2 (sf)"	"AAsf"	20 October 2026	100.00 per cent.
B	€21,000,000	3 month EURIBOR + 2.10%	6 month EURIBOR + 2.10%	"A2 (sf)"	"Asf"	20 October 2026	100.00 per cent.
C	€18,375,000	3 month EURIBOR + 2.80%	6 month EURIBOR + 2.80%	"Baa2 (sf)"	"BBBsf"	20 October 2026	100.00 per cent.

1. Applicable at any time prior to the commencement of a Frequency Switch Period.
2. Applicable during a Frequency Switch Period.
3. The ratings assigned to the Class A-1 Notes and Class A-2 Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class B Notes and the Class C Notes address the ultimate payment of principal and interest. A security rating is not a recommendation to buy, sell or hold the Refinancing Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency. As of the date of this Offering Circular, each of the Rating Agencies is established in the European Union ("**EU**") and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation.
4. The Initial Purchaser may offer the Refinancing Notes at other prices as may be negotiated at the time of sale.

Eligible Purchasers ..... The Refinancing Notes of each Class will be offered:

(a) to non-U.S. Persons in "offshore transactions" in reliance on Regulation S; and

(b) to U.S. Persons, in each case, who are QIBs and QPs in reliance on Rule 144A.

Issue Date of Refinanced Notes ..... Original Issue Date

Refinancing Date..... 20 April 2017

Payment Dates	Interest on the Refinancing Notes will be payable (i) quarterly in arrear on 20 January, 20 April, 20 July and 20 October at any time prior to the commencement of a Frequency Switch Period, and (ii) semi-annually in arrear (A) on 20 January and 20 July (where the Payment Date immediately prior to the commencement of the Frequency Switch Period is either 20 January or 20 July) or (B) on 20 April or 20 October (where the Payment Date immediately prior to the commencement of the Frequency Switch Period is either 20 April or 20 October) commencing on 20 July 2017 and ending on the Maturity Date (subject to any earlier redemption of the Refinancing Notes and in each case to adjustment for non Business Days in accordance with the Conditions).
Note Interest.....	Interest in respect of the Refinancing Notes of each Class will be payable quarterly in arrear at any time prior to the commencement of a Frequency Switch Period, and thereafter, semi-annually in arrear, in each case on each Payment Date in accordance with the Interest Priority of Payments.
Deferral of Interest	Failure on the part of the Issuer to pay the Interest Amounts due and payable on any Class of Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payments shall not be an Event of Default unless and until: (a) such failure continues for a period of at least five Business Days save in the case of certain administrative errors or omissions only, where such failure continues for a period of at least seven Business Days; and (b) in respect of any non payment of interest due and payable on (i) the Class B Notes, the Class A-1 Notes and the Class A-2 Notes have been redeemed in full, (ii) the Class C Notes, the Class A Notes and the Class B Notes have been redeemed in full, (iii) the Class D Notes, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full, and (iv) the Class E Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full, and save in each case as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*). To the extent that interest payments on the Class B Notes, Class C Notes, Class D Notes or the Class E 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 B Notes, Class C Notes, Class D Notes and the Class E Notes (as applicable), and from the date such unpaid interest is added to the applicable Principal Amount Outstanding of the relevant Class of Notes, such unpaid amount will accrue interest at the rate of interest applicable to the relevant Notes. See Condition 6(c) (*Deferral of Interest*). Non-payment of amounts due and payable on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds will not constitute an Event of Default. For the avoidance of doubt, non-payment of Interest Amounts due and payable on any Class of Notes as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*) shall not constitute an Event of Default.

CM Voting Notes, CM Non-Voting Notes and CM Exchangeable Non-Voting Notes	The Refinancing Notes may, in each case, be in the form of CM Voting Notes, CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Voting Notes carry a right to vote and be counted for the purposes of determining a quorum and the result of voting on all matters in respect of which Noteholders have a right to vote, including any CM Removal Resolutions and CM Replacement Resolutions. CM Non-Voting Exchangeable Notes and CM Non-Voting Notes will not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on, any CM Removal Resolutions or any CM Replacement Resolutions but will carry a right to vote on and be counted in respect of all other matters in respect of which the Noteholders have a right to vote and be counted. CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) CM Non-Voting Exchangeable Notes; or (b) CM Non-Voting Notes of the relevant Class. CM Non-Voting Exchangeable Notes will be exchangeable (a) at any time upon request by the relevant Noteholder, into CM Non-Voting Notes of the relevant Class or (b) only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor, into CM Voting Notes of the relevant Class. CM Non-Voting Notes shall not be exchangeable at any time into CM Voting Notes or CM Non-Voting Exchangeable Notes of the relevant Class. A beneficial interest in a Global Certificate representing CM Voting Notes, CM Non-Voting Exchangeable Notes or the CM Non-Voting Notes may be exchanged for a beneficial interest in a different form of Refinancing Note, subject to the restrictions set out in Condition 2(m) (*Exchange of Voting/Non-Voting Notes*). Neither the Registrar nor Transfer Agent, in processing such exchange shall have any liability to any Noteholder as to the compliance by such Noteholder with any legal or regulatory requirements applicable to such Noteholder.
Listing	Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC. It is anticipated that listing will take place on or about the Issue Date. See "*General Information*".
Form, Registration and Transfer of the Notes	The Regulation S Notes of each Class (and in respect of any Class of the Refinancing Notes, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) sold outside the United States to 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 for 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*" in the 2013 Offering Circular. 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 (and in respect of any Class of the Refinancing Notes, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such 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 and QPs 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, DTC and which Rule 144A Definitive Certificates, 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 DTC.

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*" in the 2013 Offering Circular.

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 and a QP. 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*" in the 2013 Offering Circular.

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*" in the 2013 Offering Circular.

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*" in the 2013 Offering Circular. 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" in the 2013 Offering Circular. The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*), Condition 2(i) (*Forced Transfer pursuant to ERISA*) and Condition 2(j) (*Forced Transfer pursuant to FATCA*).
Tax Status	See "*Tax Considerations*".
Certain ERISA Considerations	For a discussion of certain ERISA related restrictions on the ownership and transfer of the Notes, see the section "*Certain ERISA Considerations*" and "*Transfer Restrictions*" in the 2013 Offering Circular.
Withholding Tax	No gross up of any payments will be payable to the Noteholders. See Condition 9 (*Taxation*).
Retention Holder and Retention Requirements	The Refinancing Retention Notes will be subscribed for by the Collateral Manager as "sponsor" on the Refinancing Date. On the Refinancing Date, the Collateral Manager in its capacity as Retention Holder will enter into an Amended and Restated Risk Retention Letter (as defined below) pursuant to which the Collateral Manager in its capacity as Retention Holder will undertake to retain the Refinancing Retention Notes (as defined below) and to continue to retain the Original Retention Notes (as defined below), with the intention of complying with the Retention Requirements. See "*Risk Factors – Regulatory Initiatives - Risk Retention and Due Diligence Requirements*" and "*The Retention Holder and Retention Requirements*".

RISK FACTORS

An investment in the Refinancing Notes of any Class involves certain risks, including risks relating to the Collateral securing such Refinancing Notes and risks relating to the structure and rights of such Refinancing Notes and the related arrangements. Prospective investors should carefully consider the following factors and the "Risk Factors" in the 2013 Offering Circular, in addition to the matters set forth elsewhere in this Offering Circular and the 2013 Offering Circular, prior to investing in any Refinancing 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" in the 2013 Offering Circular, as amended by this Offering Circular.

The following limited supplemental disclosure is being provided to you to inform you of certain risks arising from the issuance of the Refinancing Notes but does not purport to (and none of the Issuer, the Initial Purchaser, the Collateral Manager or their respective affiliates makes any representations that it purports to) comprehensively update the 2013 Offering Circular or disclose all risk factors (whether legal or otherwise) which may arise by or relate to the issuance of the Refinancing Notes.

1. GENERAL

1.1 Relating to the Refinancing Notes

The Issuer provides limited information about its past operating history, investment performance and other matters relating to its operations. The Issuer commenced operations under the Trust Deed on the Original Issue Date. While the most recent Monthly Report (as defined in the Trust Deed) prior to the Refinancing Date with respect to the Collateral Obligations is included herewith as Annex B and is expressly incorporated herein as an integral part of this Offering Circular, such information has not been audited or otherwise reviewed by any accounting firm.

The information provided in the Monthly Reports, including the most recent Monthly Report is limited and does not provide a full description of all Collateral Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by such Monthly Report. Each Monthly Report contains information as of the dates specified therein and none of the Monthly Reports are calculated as of the date of this Offering Circular. As such, the information in the most recent Monthly Report may no longer reflect the characteristics of the Collateral Obligations as of the date of this Offering Circular or on or after the Refinancing Date.

The composition of the Collateral Obligations will change over time as a result of (i) scheduled and unscheduled principal payments on the Collateral Obligations, (ii) sales of Collateral Obligations and reinvestment of Sale Proceeds and other Principal Proceeds and (iii) other factors, subject to the limitations described in the Conditions.

No information is provided in this Offering Circular regarding the Issuer's investment performance and portfolio except as set forth in the most recent Monthly Report in Annex B and no information is provided in this Offering Circular regarding any other aspect of the Issuer's operations. While the Issuer believes that it has complied with the requirements of the Trust Deed, no assurance can be given that neither the Issuer nor the Collateral Manager has unintentionally failed to comply with one or more of their respective obligations under the Trust Deed or the Collateral Management Restatement Agreement, nor that any such failure will not have a material adverse effect on holders in the future.

1.2 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 "*Euro 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 Refinancing Notes. These additional risks may affect the returns on the Refinancing Notes to investors and/or the ability of investors to realise their investment in the Refinancing 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 Collateral Manager to invest and, ultimately, reduce the returns on the Refinancing 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 Refinancing 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 Collateral Obligations 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 Collateral Obligations are likely to decrease. A decrease in market value of the Collateral Obligations would also adversely affect the Sale Proceeds that could be obtained upon the sale of the Collateral Obligations and could ultimately affect the ability of the Issuer to pay in full or redeem the Refinancing 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 Refinancing 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 Collateral 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.

1.3 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 Collateral Obligations 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 Collateral Obligations are sold. Furthermore, significant additional risks for the Issuer and investors in the Refinancing Notes may exist. Such risks include, among others, (i) the possibility that, after the Issue Date, the prices at which Collateral Obligations can be sold by the Issuer may deteriorate from their purchase price, (ii) the possibility that opportunities for the Issuer to sell its Collateral Obligations in the secondary market, including Credit Risk Obligations, Credit Improved Obligations, and Defaulted Obligations, may be impaired, and (iii) increased illiquidity of the Refinancing Notes because of reduced secondary trading in CLO securities. These additional risks may affect the returns on the Refinancing Notes to investors or otherwise adversely affect Noteholders.

1.4 Euro and Euro Zone Risk

Investors should carefully consider how changes to the Euro zone may affect their investment in the Refinancing Notes. Since the global economic 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 Refinancing 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 Refinancing Notes.

1.5 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 negotiation to take place.

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. At this time it is not possible to state with any certainty to what extent that might be so.

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future EU-UK relationship, EU laws (other than those EU laws transposed into English law (see below)) will cease to apply within the UK pursuant to the terms and timing of a future withdrawal agreement. This would be achieved by the UK ceasing to be party to the Treaty on European Union and the Treaty on the Functioning of the European Union, and by the parallel repeal of the European Communities Act 1972. The UK may therefore cease to be a member of the EU if a notice is served under Article 50 and a period of two years expires without (i) conclusion of a withdrawal agreement or (ii) the European Council agrees with the UK to extend such two year period. At this time it is not possible to state with any certainty what might be the terms and effective date of any withdrawal agreement or the date when such a two year period (or any extension thereof) would expire. Until such date, EU law will remain in force in the UK.

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future UK-EU relationship, EU law will cease to apply in the UK. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Over the years, English law has been devised to function in conjunction with EU law (in particular, laws relating to financial markets, financial services, prudential and conduct regulation of financial institutions, financial collateral, settlement finality and market infrastructure). As a result, depending on the terms of the UK's exit from the EU, substantial amendments to English law may occur. 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, regulated entities licensed or authorised in one EEA jurisdiction may operate on a cross-border basis in other EEA countries without the need for a separate licence or authorisation. There is uncertainty as to how, following a UK exit from the EU, and probably the EEA (whatever the form thereof), the existing passporting regime will apply (if at all). Depending on the terms of the UK's exit and the terms of 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.

There can be no assurance that the terms of the UK's exit from the EU will include arrangements for the continuation of the existing passporting regime 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.

Regulatory Risk – UK manager/Retention Holder

In particular, if the UK were, as a consequence of leaving the EU, no longer within the scope of MiFID and a passporting regime or third country recognition of the UK is not in place, then (a) a UK manager such as the Collateral Manager may be unable to continue to provide collateral management services to the Issuer in reliance upon the passporting of relevant regulated services within the EU on a cross-border basis provided for under MiFID and (b) the Collateral Manager may not be able to continue to act as Retention Holder to the extent it was required to hold the retention solely as "sponsor" in accordance with the Retention Requirements (even if the Collateral Manager were to remain subject to UK financial services regulation). See "*Risk Retention and Due Diligence Requirements – EU Risk Retention and Due Diligence Requirements"* below.

Market Risk

Following the results of the Referendum, the financial markets have experienced 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 Refinancing Notes and on the ability of Obligors to meet their obligations under the Collateral Obligations.

Investors should be aware that the result of the Referendum and any subsequent 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 Collateral 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 Assignments, Participations and Hedge Transactions and also each of the Agents) throughout the life of the Refinancing 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.

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 Refinancing Notes and therefore, the Noteholders.

Currency exchange rates and exchange controls

Since the result of the Referendum there has been increased volatility in the currency exchange rates. Investors should note that all payments on the Refinancing Notes will be denominated in Euros. Investors who are investing in the Refinancing Notes, but who consider their investment profile and return in another currency may incur a number of risks including those relating to changes in exchange rates (which may be significant). An appreciation in the value of the investor's currency relative to the Euro would result in a decrease of (i) the investor's currency-equivalent yield on the Refinancing Notes, (ii) the investor's currency-equivalent value of the principal payable on the Refinancing Notes, and (iii) the investor's currency-equivalent market value of the Refinancing Notes.

1.6 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) 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.), 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 cases 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 Brothers 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 Payments, 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 Payments would certainly be enforceable as a matter of English law, in the case of insolvency of a Hedge Counterparty.

Moreover, if the Priorities of Payments 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 Payments, it is possible that termination payments due to the Hedge Counterparties would not be subordinated as envisaged by the Priorities of Payments 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.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents include terms providing for the subordination of termination payments in certain circumstances, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Refinancing Notes. If any rating assigned to the Refinancing Notes is lowered, the market value of the Refinancing Notes may reduce.

1.7 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 the EU, in September 2013, the European Commission published a proposal for 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. The majority of its provisions will not, however, apply until 1 January 2018.

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 Collateral Obligation 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 Collateral Obligation, 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 affected Collateral Obligation and the replacement rate of interest the Issuer must pay under any applicable Hedge Agreement. This could lead to the Issuer receiving amounts from affected Collateral Obligations which are insufficient to make the due payment under the Hedge Agreement, and potential termination of the Hedge Agreement;

(d) if any of the relevant EURIBOR benchmarks referenced in Condition 6 (*Interest*) is discontinued, interest on the Refinancing Notes will be calculated under Condition 6(e) (*Interest on the Floating Rate Notes*); and

(e) the administrator of a relevant benchmark will not have any involvement in the Collateral Obligations or the Refinancing Notes and may take any actions in respect of such benchmark without regard to the effect of such actions on the Collateral Obligations or the Refinancing 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 Collateral Obligations which pay interest linked to a EURIBOR rate or other benchmark (as applicable), and (ii) the Notes.

1.8 Anti-Money Laundering, Anti-Terrorism, Anti-Corruption, Bribery and Similar Laws May Require Certain Actions or Disclosures

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**AML Requirements**"). Any of the Issuer, the Initial Purchaser, the Collateral Manager, the Trustee or the Agents could be requested or required to obtain certain assurances from prospective investors intending to purchase Refinancing Notes and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is expected that the Issuer, the Initial Purchaser, the Collateral Manager and the Trustee will comply with AML Requirements to which they are or may become subject and to interpret such AML Requirements broadly in favour of disclosure. In addition, it is expected that each of the Issuer, the Initial Purchaser, the Collateral Manager and the Trustee intends to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith. A Noteholder may also be obliged to provide information they may have previously identified or regarded as confidential to satisfy the AML Requirements.

1.9 Third Party Litigation; Limited Funds Available

Investment activities such as the purchase, selling, holding and participation in voting or the restructuring of Collateral Obligations 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 against 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 that 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 to amounts available in accordance with the Priorities of Payments. 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 bought against it or that the Issuer might otherwise bring to protect its interests.

2. TAXATION

2.1 Financial Transaction Tax – ("FTT")

In February 2013 the European Commission published a proposal (the "**Commission 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 Refinancing 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. In such circumstances, it is not possible to predict with certainty what effect the proposed FTT might have on the business of the Issuer, there will be no gross-up by any party to the transaction and amounts due to Noteholders may be adversely affected.

Certain aspects of the Commission Proposal are controversial and, while the Commission Proposal initially identified the date of introduction of the FTT across the Participating Member States as being 1 January 2014, this anticipated introduction date has been extended on several occasions due to disagreement among the Participating Member States regarding a number of key issues concerning the scope and application of the FTT.

On 10 October 2016, following a meeting of the Finance Ministers of the ten remaining Participating Member States, it was reported that an agreement in principle had been reached on certain key aspects of the FTT and that the EU Commission had consequently been asked to prepare draft FTT legislation on the basis of that agreement. However, the details of the FTT remain to be agreed. A written answer given by Pierre Moscovici in the European Parliament, speaking on behalf of the Commission on 8 March 2017, confirmed that negotiations between Participating Member States on the Commission's proposal are continuing with a number of key areas still open for discussion. Accordingly, the date of implementation of the FTT remains uncertain.

Additional Member States may also decide to participate in the FTT. Prospective holders of the Refinancing Notes are advised to seek their own professional advice in relation to any FTT and its potential impact on their dealings in the Refinancing Notes before investing.

2.2 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.

Action 4

In the Final Report relating to Action 4, the OECD recommends as a best practice that countries introduce a general limitation on tax deductions for net interest and economically equivalent payments under which, broadly speaking, a company would be denied those deductions to the extent they exceeded a particular percentage of the company's EBITDA ranging from 10 to 30 per cent.

The OECD recommends that, as a minimum, countries would apply this restriction to companies that form part of domestic and multinational groups only, or to companies that form part of multinational groups. However, the

OECD acknowledges that countries may also apply such restriction more broadly to include companies in a domestic group and standalone companies which are not part of a domestic group.

However, the restriction recommended would only apply to tax deductions for net interest and economically equivalent payments. As a result, since the Issuer will generally fund interest payments it makes under the Refinancing Notes from interest payments to which it is entitled under Collateral Obligations (that is, such that Issuer pays limited or no net interest), the restriction may be of limited relevance to the Issuer even if the Netherlands chose to apply such a restriction to companies such as 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.

The PPT rule could deny a treaty benefit (such as a reduced rate of withholding tax) 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.

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.

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.

Whether the Issuer will be subject to UK corporation tax may depend on, among other things, whether the Collateral 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 Netherlands double tax treaty. As at the date of this Offering Circular, it is expected that, taking into account the nature of the Collateral Manager's business and the terms of its appointment and its role under the Collateral Management Restatement Agreement, the Collateral 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/The Netherlands 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 The Netherlands) 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.

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 accompanying press release stated that a first "high-level" signing ceremony for the Multilateral Instrument will take place in the week beginning 5 June 2017.

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/The Netherlands 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 The Netherlands, in denying the Issuer the benefit of Dutch 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.

2.3 Imposition of unanticipated Taxes on Issuer

The Issuer expects to earn a minimum profit that is subject to Dutch corporate tax but that no Dutch VAT should be payable on the Collateral Management Fees, subject to what follows. This is on the basis of article 11(1)(i)(3) of the Dutch VAT act based upon Article 135(1)(g) of the VAT Directive, which provides that Member States shall exempt from VAT the management of "special investment funds" (as defined by the relevant Member State). There can be no assurance, however, that the Issuer will not be or in the future become

subject to further tax by the Netherlands or some other jurisdiction. In the event that tax is imposed on the Issuer, the Issuer's ability to repay the Notes may be impaired.

In its judgement of *Staatssecretaris van Financiën* v *Fiscale Eenheid X NV* cs C-595/13 ("**ECJ Fiscale Eenheid X**") the European Court of Justice has ruled that the VAT exemption for investment management services can be applied to: (i) funds which constitute undertakings for collective investment in transferable securities within the meaning of the undertakings for collective investment in transferable securities directive (the "**UCITS Directive**") and (ii) funds which, without being collective investment undertakings within the meaning of that directive, display features that are sufficiently comparable for them to be in competition with such undertakings - in particular that they are subject to specific State supervision under national law (as opposed to under the UCITS Directive).

Following the ECJ Fiscale Eenheid X case, there is a risk that the Issuer may not qualify as a "special investment fund" under the VAT Directive and/or the Dutch value added tax act. The Issuer (and other Dutch collateralised loan obligation vehicles) have the benefit of a tax ruling from the Dutch tax authorities (*Belastingdienst*) (which pre-dates ECJ Fiscale Eenheid X case), confirming that the relevant VAT exemption can be applied for collateral management services to Dutch collateralised loan obligation vehicles (including the Issuer, once it is registered with the designated tax inspector). There is a risk that following the ECJ Fiscale Eenheid X case, this tax ruling may not be applicable. Following the ECJ Fiscale Eenheid X case, the Issuer cannot exclude that the Dutch tax authorities (*Belastingdienst*) may seek to change their position in the future and Dutch value added tax may be imposed on the Collateral Management Fees.

2.4 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 The Netherlands, the Issuer will not be subject to withholding under FATCA if it complies with Dutch implementing 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 Refinancing Notes to the Dutch tax authorities (*Belastingdienst*), which would then provide this information to the United States Internal Revenue Service (or any successor thereto) (the "**IRS**"). The Issuer shall use reasonable best efforts to comply with the intergovernmental agreement and the implementing legislation; however, there can be no assurance that the Issuer will be able to do so. Moreover, FATCA 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.

Each investor will be required to provide the Issuer with information necessary for the Issuer to comply with FATCA. Investors that do not supply this information, or whose ownership of Refinancing Notes would otherwise cause the Issuer to fail to comply with FATCA, may be subject to punitive measures, including a forced transfer of their Refinancing Notes.

2.5 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 Collateral 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.

2.6 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 Managing 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 Collateral Manager will, however, have and is expected to exercise authority to do business on behalf of the Issuer.

The Issuer should not be subject to UK corporation tax in consequence of the activities which the Collateral 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 Collateral 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-Netherlands tax treaty applies. This exemption will apply if the Collateral Manager is regarded as an independent agent acting in the ordinary course of its business for the purpose of the UK-Netherlands tax treaty. It should be noted that the specific domestic UK tax exemption for profits generated in the UK by a collateral 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 the Collateral Manager (or certain connected entities) holds more than 20 per cent. of the Subordinated Notes. 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-Netherlands tax treaty, as referred to above, applies.

Should the Collateral 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 Payments. 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 Collateral 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 Payments. 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 Payments.

2.7 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. 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 per cent. 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 Refinancing Notes from interest payments to which it is entitled under Collateral Obligations (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.

2.8 The Common Reporting Standard

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard (the "**CRS**"). The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

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 EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year (or from 2018 in the case of Austria).

The Netherlands is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while the Finance Act 2014 and Finance Act 2015 contain measures necessary to implement the CRS internationally and across the European Union, respectively.

The Netherlands has enacted legislation to implement the requirements of the CRS and DAC II into Dutch law under which Dutch FIs (such as the Issuer) will be obliged to make a single return in respect of CRS and DAC II. For the purposes of complying with its obligations under CRS and DAC II, a Dutch FI (such as the Issuer) shall be entitled to require Noteholders to provide any information regarding their and, in certain circumstances, their controlling persons' tax status, identity or residence in order to satisfy any reporting requirements which the Issuer may have as a result of CRS and DAC II and Noteholders will be deemed, by their holding to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) or any other person to the Dutch tax authorities (*Belastingdienst*). The information will be provided to the Dutch tax authorities (*Belastingdienst*) who will exchange the information with the tax authorities of other participating jurisdictions, as applicable. Failure by a Dutch FI to comply with its CRS and DAC II obligations may result in the Issuer being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed on a non-compliant FI under Dutch legislation.

The Issuer (or any nominated service provider) will agree that information (including the identity of any Noteholder) supplied for the purposes of CRS and DAC II compliance is intended for the Issuer's (or any nominated service provider's) use for the purposes of satisfying CRS and DAC II requirements and the Issuer (or any nominated service provider) will agree, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the Issuer may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving CRS and DAC II compliance, (iii) to any person with the consent of the applicable Noteholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

3. REGULATORY INITIATIVES

3.1 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 Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (for example, the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer 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 Refinancing Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Refinancing 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 Refinancing Notes in the secondary market.

3.2 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 they have 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 Refinancing Notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear. Though some aspects of the detail and effect of all of these requirements remain unclear, these requirements and any other changes to the regulation or regulatory treatment of securitisations or of the Refinancing 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 Refinancing Notes in the secondary market.

Each investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator before committing to acquire any Refinancing Notes to determine whether, and to what extent, the information set out in this Offering Circular and the 2013 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 Collateral Manager, the Initial Purchaser, the Retention Holder, the Trustee, the Collateral Administrator, the Liquidity Facility Provider, the Agents, 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 Refinancing 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 Refinancing Notes or take other remedial measures in respect of their investment in the Refinancing Notes. In addition, such regulations could have a negative impact on the price and liquidity of the Refinancing Notes in the secondary market.

On 30 September 2015, the European Commission (the "**Commission**") published a proposal to amend the CRR (the "**Draft CRR Amendment Regulation**") and a proposed regulation relating to a European framework for simple, transparent and standardised securitisation (such proposed regulation, including any implementing regulation, technical standards and official guidelines related thereto, the "**Securitisation Framework**" and, together with the Draft CRR Amendment Regulation, the "**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. The Presidency of the Council of Ministers of the European Union (the "**Council**") has also published compromise proposals concerning the Securitisation Regulation. On the 8 December 2016, The Economic and Monetary Affairs Committee of the European Parliament ("**ECON**") agreed a number of compromise amendments to the Securitisation Regulation (the "**ECON Amendments**") which were adopted by the European Parliament on 19 December 2016. The current step in the legislative process is the trilogue discussions among the Commission, the Council and representatives of the European Parliament which are taking place on a periodic basis, with sessions scheduled to be held until at least mid-June 2017. It is unclear at this time when the Securitisation Regulation will become effective and which, if any, of the ECON Amendments will be included in the final regulation. Investors should be aware that there are material differences between the current EU Risk Retention and Due Diligence Requirements, the Commission's proposal for the Securitisation Regulation and the ECON Amendments. The Securitisation Regulation may also enter into force in a form that differs from the published proposals and drafts. 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 Refinancing Notes or additional issuance of Refinancing Notes in accordance with Condition 17 (*Additional Issuances*) may, if undertaken after the entry into force of the Securitisation Regulation, bring the transaction described herein within the scope of the Securitisation Regulation.

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 Refinancing Notes.

The Issuer has been informed that the Collateral Manager acquired on the Original Issue Date, and continues to retain, the Original Retention Notes and will on the Refinancing Date subscribe for and, retain, from the Refinancing Date, on an ongoing basis as long as any Class of Notes remains Outstanding, the Refinancing Retention Notes. See "*The Retention Holder and 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.

In the No Action Letter, the Division of Corporate Finance of the Securities and Exchange Commission (the "**Division**") indicated that it would not recommend enforcement action by the SEC against Crescent if it did not retain an eligible retention interest in connection with a refinancing of notes issued in a transaction that closed prior to publication of the U.S. Risk Retention Rules in the Federal Register which meets the terms and conditions set forth in the No Action Letter . In reliance on the statements of the Division in the No Action Letter, the Collateral Manager has informed the Issuer and the Initial Purchaser that it does not intend to comply with the U.S. Risk Retention Rules in respect of the refinancing transaction described in this Offering Circular in reliance on the No Action Letter. It should be noted that the position of the Division is based on the representations made to the Division and that different facts or conditions might require the Division to reach a different conclusion. The No Action Letter only expresses the Division's position on enforcement action and does not express any legal conclusion on the question presented.

A no-action letter is a position on enforcement action based upon specific facts and representations and expressly does not reach a legal conclusion. In providing the No Action Letter, the SEC noted that its no action position is based on the facts and representations provided to it by Crescent, and that any different facts or conditions might require the SEC to reach a different conclusion. The Collateral Manager is not the addressee of the No Action Letter and consequently there is no assurance that the SEC will conclude that its no-action position taken in the No Action Letter is applicable to the refinancing transaction described in this Offering

Circular. Further, while the SEC staff consulted with the staffs of the other regulators that are tasked with enforcement of the U.S. Risk Retention Rules, the No Action Letter only provides the position of the SEC staff. The other regulators could have varying interpretations of the same facts and representations. If it were determined that the no-action position taken in the No Action Letter is not applicable to the refinancing transaction described in this Offering Circular, the Collateral Manager may not be in compliance with the U.S. Risk Retention Rules with respect to such transaction. Failure on the part of the Collateral 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 Collateral Manager which may adversely affect the Refinancing Notes and the ability of the Collateral Manager to perform its obligations under the Collateral Management Restatement Agreement.

The U.S. Risk Retention Rules may have adverse effects on the Issuer and/or the holders of the Refinancing Notes. The U.S. Risk Retention Rules would apply to any additional Notes issued after the Refinancing 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, 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. In no case will the Collateral Manager be required to acquire any 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 Refinancing Notes) if the Issuer is unable to undertake any such additional issuance or Refinancing and may affect the liquidity of the Refinancing 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 Collateral Manager or the Issuer or on the market value or liquidity of the Refinancing 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 Refinancing 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 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 Collateral Manager to sell Collateral Obligations or to invest in Collateral Obligations 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 Refinancing 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 Refinancing 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. There is no established line of authority, precedent or market practice that provides guidance with respect to compliance with the U.S. Risk Retention Rules in connection with any actions of the Issuer after the rule becomes effective. Moreover, any applicable governmental authority or regulator could provide guidance or state views on compliance with the U.S. Risk Retention Rules that materially alter current interpretations or views with respect to the U.S. Risk Retention Rules. Any changes or further guidance may result in the Collateral Manager failing to comply with the U.S. Risk Retention Rules and could have a material adverse effect on the Issuer and the Refinancing Notes.

3.3 Retention Financing

The Retention Holder intends to enter into financing arrangements in respect of the Retention Notes that it is required to acquire in order to comply with the Retention Requirements (any such arrangements, the "**Retention Financing Arrangements**") and in respect of any Retention Financing Arrangements, will either 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. None of the Collateral Manager, the Retention Holder, any Agent, the Issuer, the Trustee, the Sole Arranger, the Initial Purchaser or any of their respective Affiliates makes any representation, warranty or guarantee that such Retention Financing Arrangements will comply with the Retention Requirements. 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, no lender will have any duty to consider the interests of the Noteholders or the Trustee (and accordingly no assurance can be given as to whether such rights will be exercised in a manner favourable to the Noteholders of any Class) and any lender would not be required to have regard to the Retention Requirements and any such sale or appropriation may therefore cause the transaction described in this Offering Circular to be non-compliant with the Retention Requirements. See "*Certain Conflicts of Interest – Conflicts of Interest Involving or Relating to the Initial Purchaser and its Affiliates*".

The term of any Retention Financing Arrangements may be considerably shorter than the effective term of the Refinancing 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 other 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 Retention Requirements.

3.4 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 (see "*Alternative Investment Fund Managers Directive"* below), credit institutions and insurance companies, or 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**"), 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 derivatives 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 exempted from the clearing obligation and certain additional 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 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 Collateral 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 "*Hedging Arrangements*" in the 2013 Offering Circular.

The Conditions of the Refinancing 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 Refinancing Notes to comply with the requirements of EMIR which may become applicable at a future date.

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 derivatives such as Currency Hedge Transactions and Interest Rate Hedge Transactions). These changes may adversely affect the Issuer's ability to enter the currency hedge swaps 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 Collateral 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 Refinancing Notes.

Prospective investors should also be aware that on 13 August 2015 ESMA published four reports on the functioning of EMIR and providing input and recommendations to the European Commission's official review of EMIR (in accordance with Article 85(1) thereof). ESMA's reports recommend a number of changes to the EMIR framework, including potentially significant changes to the clearing obligation and the process for classifying non-financial counterparties. The ESMA reports are expected to feed into the general report on EMIR that the European Commission will prepare and submit to the European Parliament and the Council;

however the extent to which ESMA's recommendations will be integrated into the European Commission's report and ultimately endorsed is not known at this time and cannot be predicted.

3.5 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 Collateral Manager is not authorised under AIFMD but is authorised under EU Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**"). As the Collateral Manager is not permitted to be authorised under both AIFMD and under MiFID, it will not be able to apply for an authorisation under AIFMD unless it gives up its authorisation under MiFID. If considered to be an AIF managed by an authorised AIFM, the Issuer would also be classified as a "financial counterparty" 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.

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.

If the SSPE Exemption does not apply and the Issuer is considered to be an AIF, the Collateral 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.

The Conditions of the Refinancing Notes 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 or the Conditions which the Issuer certifies are required to comply with the requirements of AIFMD which may become applicable at a future date.

3.6 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 Collateral 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 Collateral 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.

To date, the Dodd-Frank Act has had a broad impact on the rules and regulations governing the capital markets. With the recent election of President Donald Trump in the U.S., there is an expectation that President Trump will seek to repeal or at least lessen materially the regulatory burdens believed to be imposed by the Dodd-Frank Act. There can be no assurances that any such repeal or material lessening of regulatory burden will occur and, if it occurs, the time frame of any such occurrence is presently unknown. Prior to the time when the Dodd-Frank Act is repealed or materially revised or prior to the time when it is clear that no such repeal or material revision will occur, the U.S. bank regulatory environment and, indirectly, the capital markets environment may experience material uncertainty. It is not possible to predict the impact of any such uncertainty on the capital markets or on the Issuer.

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 Collateral Manager, the Initial Purchaser or the Sole 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 Refinancing Notes.

3.7 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 and the availability of such Hedge Transactions. Some or all of the Hedge Transactions that the Issuer may enter into may be affected by (i) the requirement that certain swaps be centrally cleared and 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 Collateral Manager of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Obligations, (y) have unforeseen legal consequences on the Issuer or the Collateral 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.

3.8 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 Collateral 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 Collateral Manager on the Issuer's behalf) may enter into Hedge Agreements (or any other agreement that would fall within the definition of "swap" as set out in the CEA).

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 Collateral 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 Refinancing Date. Utilising any such exemption from registration may impose additional costs on the Collateral Manager and the Issuer and may significantly limit the Collateral Manager's ability to engage in hedging activities on behalf of the Issuer. Additionally, unlike a registered CPO, the Collateral 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 the requirements of CFTC rules applicable to registered CPOs. 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 not 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 Collateral Manager as a CPO or a CTA may be required before the Issuer (or the Collateral Manager on the Issuer's behalf) may enter into any Hedge

Agreement. Registration of the Collateral Manager as a CPO and/or a CTA could cause the Collateral 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 Refinancing Notes. In addition, in the event an exemption from registration were available and the Collateral Manager elected to file for an exemption, the Collateral Manager would not be required to deliver certain CFTC mandated disclosure documents or a certified annual report to investors or satisfy on-going compliance requirements under Part 4 of the CFTC Regulations, as would be the case for a registered CPO or CTA. Further, the conditions of such exemption may constrain the extent to which the Issuer may be able to enter into swap transactions. In particular, the limits imposed by such exemptions may prevent the Issuer from entering into a Hedge Transaction that the Collateral 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.

Further, if the Collateral 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 Collateral 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 Refinancing Notes. These costs are uncertain and could be materially greater than the Collateral 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 Collateral 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 Collateral Manager could exceed, perhaps significantly, the financial risks that are being hedged pursuant to any Hedge Transaction.

3.9 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 of where such affiliates are located) from (i) engaging in proprietary trading in certain financial instruments, and (ii) acquiring or retaining any "ownership interest" in, or "sponsoring", a "covered fund," subject to certain exemptions set forth in the Volcker Rule's implementing regulations.

An "ownership interest" is defined widely in the Volcker Rule 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 or other similar governing body of the "covered fund". A "covered fund" is defined widely in the Volcker Rule, and includes any issuer which would be an investment company under the Investment Company Act of 1940 (the "**ICA**") but is exempt from registration under the ICA 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.

None of the Issuer, the Sole Arranger, the Initial Purchaser, the Collateral Manager, the Trustee nor any of their Affiliates makes any representation to any prospective investor or purchaser of the Refinancing Notes regarding the application of the Volcker Rule to the Issuer, or to such investor's investment in the Refinancing Notes on the Issue Date or at any time in the future.

It should be noted that a commodity pool as defined in the CEA (see "*Commodity Pool Regulation"* above) could, depending on which CEA exemption is used by such commodity pool or its commodity pool operator, also fall within the definition of a covered fund as described above.

Furthermore, the holders of any of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes are disenfranchised in respect of any CM Removal Resolution or CM Replacement Resolution in an effort to exclude such instruments from the definition of "ownership interest". However, there can be no assurance that these features will be effective in resulting in instruments issued by the Issuer not being characterised as "ownership interests" in the Issuer.

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 acquire or retain an "ownership interest" in the Issuer and, with respect to banking entities which have certain business relationships with the Issuer, to 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 Refinancing Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Refinancing 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 Refinancing Notes. Each prospective investor in the Refinancing Notes should independently consider the potential impact of the Volcker Rule in respect of any investment in the Refinancing Notes. Investors should conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes.

3.10 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 Refinancing 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 Refinancing 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 Refinancing Notes will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavourable accounting treatment, capital charges or reserve requirements.

3.11 CRA

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 Refinancing 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 the European Securities and Markets Authority ("**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 a 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 Refinancing Notes.

3.12 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.

4. RELATING TO THE REFINANCING NOTES

4.1 Inability to Refinance Refinancing Notes

Investors should note that the Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes may not be refinanced in the future except to the extent that (i) a change of law, rule or regulation or regulatory guidance following the date hereof would permit a Refinancing without resulting in non-compliance with the U.S. Risk Retention Regulations, (ii) the U.S. Risk Retention Regulations are no longer in effect or (iii) the U.S. Risk Retention Regulations would be satisfied after giving effect to such redemption of such Class, in each case, as

determined by the Collateral Manager (based on advice of nationally recognised counsel experienced in such matters) and provided that no such redemption will occur prior to the Payment Date falling in October 2017.

4.2 CM Removal Resolutions and CM Replacement Resolutions

Refinancing Notes that are in the form of CM Non-Voting Exchangeable Notes or CM 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 CM Removal Resolution or any CM Replacement Resolution.

CM Non-Voting Notes may not be exchanged at any time into CM Voting Notes or CM Non-Voting Exchangeable Notes and there are restrictions as to the circumstances in which CM Non-Voting Exchangeable Notes may be exchanged for CM Voting Notes. Such restrictions on exchange may limit the liquidity of the CM Non-Voting Notes and the CM Non-Voting Exchangeable Notes.

Refinancing Notes in the form of CM Voting Notes may form a small percentage of the Controlling Class (or other relevant Class or Classes) and/or be held by a concentrated group of Noteholders. Investors should be aware that such CM Voting Notes will be entitled to vote to pass a CM Removal Resolution and a CM Replacement Resolution and the remaining percentage of the Controlling Class (or other relevant Class or Classes) held in the form of CM Non-Voting Notes and/or CM Non-Voting Exchangeable Notes will be bound by such resolution. Holders of the CM Voting Notes may have interests that differ from other holders of Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes and may seek to profit or seek direct benefits from their voting rights. The entire Class of 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 Class A Notes should be aware that for so long as Class A Notes have not been redeemed and paid in full, if no Class A Notes are held in the form of CM Voting Notes, the Class A Notes will not be entitled to vote in respect of such CM Removal Resolution or CM 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 Class B Notes and the Class C 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 CM Removal Resolution or CM Replacement Resolution such right shall pass to a more junior Class of Notes.

5. CERTAIN CONFLICTS OF INTEREST

The Initial Purchaser and its Affiliates and the Collateral 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.

Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates

Various potential and actual conflicts of interest may exist from the overall investment and other activities of the Collateral Manager or its Affiliates (together, the "**CQS Group**"), their Affiliates and others, and any fund or account managed or advised or in respect of which discretionary voting authority is exercised on behalf of such fund or account by an entity within the CQS Group (each a "**Related Entity**"). The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

(a) Investment Opportunities

Members of the CQS Group or a Related Entity and their respective clients may invest for their own accounts or for the accounts of others in securities or obligations that would be appropriate as security for the Notes and have no duty in making such investments to act in a way that is favourable to the Issuer or the holders of the Notes. Such investments may be different from those made on behalf of the Issuer. Members of the CQS Group or a Related Entity may have on-going relationships with companies whose obligations are pledged to secure the Refinancing Notes or whose obligations may own debt or equity securities issued by obligors of Collateral Obligations. The Collateral Manager may take into consideration such relationships in its management of the Collateral Obligations.

For instance, there may be certain investments that the Collateral Manager generally will not undertake on behalf of the Issuer in view of such relationships. In addition, members of the CQS Group or a Related Entity may invest in securities that are senior to, or have interests different from, or adverse to, the obligations that are pledged to secure the Refinancing Notes.

A member of the CQS Group may act as a collateral manager with respect to, and may be an investor in, certain other collateralized debt obligation vehicles some of which invest in loans and securities similar to those in which the Issuer will invest or serve as a general partner or manager of, or as an investment advisor for, limited partnerships or other limited liability companies or similar entities organized to issue collateralized debt obligations secured by loans which may compete with the Issuer for investment opportunities. A member of the CQS Group may at certain times be simultaneously seeking to purchase investments for the Issuer and for one or more other Related Entities.

The Collateral Manager and members of the CQS Group may each engage in other business and furnish investment management and advisory services to other entities, including Related Entities whose investment policies may differ from those followed by the Collateral Manager on behalf of the Issuer. The Collateral Manager and members of the CQS Group may make recommendations or effect transactions, which differ from those effected with respect to the Collateral Obligations. In addition, the Collateral Manager and members of the CQS Group may, from time to time, cause or direct Related Entities to buy or sell, or may recommend to Related Entities, the buying and selling of, securities of the same or of a different kind or class of the same obligor as securities which are part of the Collateral which the Collateral Manager directs to be purchased or sold on behalf of the Issuer. Therefore, the Collateral Manager and other members of the CQS Group may at certain times be simultaneously seeking to purchase or sell the same or similar investments for the Issuer, for any Related Entity or for itself or a member of the CQS Group. Likewise, the Collateral Manager may, on behalf of the Issuer, make an investment in an issuer or obligor in which a member of the CQS Group or a Related Entity is already invested or has co-invested. The Collateral Manager will allocate investment opportunities on an equitable basis between the Issuer and its other clients, including any Related Entities. Situations may occur where the Issuer could be disadvantaged because of the investment activities conducted by the Collateral Manager for the Related Entities. There is no assurance that the Issuer will hold the same investments or perform in a substantially similar manner as any member of the CQS Group or a Related Entity. There is also a possibility that the Issuer will invest in opportunities declined by members of the CQS Group for the accounts of others or for their own accounts. In making investments on behalf of a Related Entity, the Collateral Manager in its discretion may, but is not required to, aggregate orders for the Issuer with such other orders, notwithstanding that depending upon market conditions, aggregated orders can result in a higher or lower average price.

No provision in the Collateral Management Restatement Agreement prevents the Collateral Manager or any other members of the CQS Group from rendering services of any kind to any person or entity or engaging in any other investment and/or business activities. Without limiting the generality of the foregoing, the Collateral Manager, any member of the CQS Group and their respective directors, officers, partners, members, employees and agents may, among other things: (a) serve as directors, partners, officers, members, employees, agents, nominees or signatories for any issuer of any obligation included in the Collateral Obligations; (b) receive fees for services rendered to the issuer of any obligation included in the Collateral Obligations or any Affiliate thereof; (c) be retained to provide services unrelated to the Collateral Management Restatement Agreement to the Issuer and be paid therefor; (d) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any obligation included in the Collateral Obligations; (e) sell any Collateral Obligations or Eligible Investments to, or purchase from, or enter into any Collateral Obligations with, the Issuer while acting in the capacity of principal or agent; and (f) serve as a member of any "creditors' board" with respect to any obligation included in the Collateral Obligations which has become or may become a Defaulted Obligation. Services and activities of this kind may lead to conflicts of interest with the Collateral Manager and may lead individual directors, officers, partners, members, or employees of the members of the CQS Group (including the Collateral Manager) to act in a manner adverse to the Issuer.

The Collateral Manager, the other members of the CQS Group and their directors, partners, members, officers and employees may also have ongoing relationships with the issuers of Collateral and they and other clients of the CQS Group (including any Related Entity) may own securities or obligations issued by issuers of Collateral. As a result, members of the CQS Group or a Related Entity may possess information relating to issuers of Collateral Obligations which may not be known to the individuals at the Collateral Manager responsible for monitoring the Collateral Obligations and performing the other obligations under the Collateral Management Restatement Agreement. Members of the CQS Group may, in particular, either for their own account or for the accounts of others, invest in loans or securities that are senior to, junior to, or have interests different from, or

adverse to, the loans or securities that are acquired on behalf of the Issuer. There may be occasions when one or more members of the CQS Group or a Related Entity holds at the same time investments on account of different investment vehicles in different parts of the capital structure of an obligor, for example senior and mezzanine debt.

The Collateral Management Restatement Agreement places significant restrictions on the Collateral Manager's ability to invest in and dispose of Collateral Obligations. Accordingly, during certain periods or in certain circumstances, the Collateral Manager may be unable, as a result of such restrictions, to invest in or dispose of Collateral Obligations or to take other actions that it might consider to be in the best interests of the Issuer and the holders of the Refinancing Notes.

(b) Acquisition of Refinancing Notes

The Collateral Manager acquired on the Original Issue Date, and continues to retain, the Original Retention Notes and will on the Refinancing Date subscribe for and, retain, from the Refinancing Date, on an ongoing basis as long as any Class of Notes remains Outstanding, the Refinancing Retention Notes and undertakes that it will not sell, hedge or otherwise mitigate its credit risk under or associated with its net economic interest in the Retention Notes or the Portfolio, except to the extent permitted by the Retention Requirements; *provided that* if at any time CQS Investment Management Limited is removed from its role as Collateral Manager, then it may dispose of the Retention Notes if permitted in accordance with the Retention Requirements.

In addition, certain amounts payable to the Collateral Manager are payable on a subordinated basis. Such factors could create an incentive for the Collateral Manager to manage the Portfolio in such a manner as to seek to maximise the return on the Portfolio to increase the amount of payments to it by way of Subordinated Management Fee or as a Subordinated Noteholder. The Refinancing Notes may also be purchased (either upon initial issuance or through secondary transfers) by a Related Entity and/or by investment vehicles in which members of the CQS Group hold a beneficial interest and there may be no limit on the exercise by such funds, vehicles 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. 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 Collateral 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 Collateral Manager and its Affiliates, 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 Collateral Manager pays certain initial investors in the Subordinated Notes a portion of the Subordinated Management Fee paid to the Collateral Manager on each Payment Date.

This arrangement will not be extended to any other purchaser on the Issue Date or through a new issuance or by means of a transfer from an existing holder.

However, the Collateral Manager's management of the Portfolio is governed by their respective fiduciary obligations and internal policies with respect to the management of accounts as well as by the requirement that each of them comply with the investment guidelines and other obligations set out in the Collateral Management Restatement Agreement. Notes held by the Collateral Manager and/or an Affiliate will have no voting rights with respect to any vote in connection with the removal of the Collateral Manager and will be deemed not to be outstanding in connection with any such vote; *provided, however*, that Notes held by the Collateral Manager and/or an Affiliate will have voting rights with respect to all other matters as to which the Noteholders are entitled to vote, including, without limitation, any vote in connection with the appointment of a replacement collateral manager which is not Affiliated with the Collateral Manager in accordance with the Collateral Management Restatement Agreement and in connection with an optional redemption.

(c) Purchase and Sale from or through the Collateral Manager

A member of the CQS Group may have on-going relationships (including, without limitation, the provision of investment banking, commercial banking and advisory services engaging in securities and/or derivatives transactions) with Obligors and may own equity or other securities of Obligors of Collateral Obligations while also maintaining on-going relationships (including, without limitation, the provision of investment banking, commercial banking and advisory services or engaging in securities and/or derivatives transactions) with purchasers of the Notes. From time to time, the Collateral Manager may, on behalf of the Issuer, purchase or sell Collateral Obligations through the Initial Purchaser or its Affiliates. The Issuer may invest in the securities of

companies affiliated with such CQS Group or companies in which the Collateral Manager or its Affiliates have an equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Collateral Manager's or its Affiliates' own investments in such companies.

In certain circumstances, the Collateral Manager or its Affiliates may receive compensation in connection with the investment of assets in certain Eligible Investments from the managers of such Eligible Investments. In addition, the Issuer may from time to time invest in Eligible Investments issued by, arranged by or underwritten by the CQS Group or its Affiliates.

(d) Principal Trades, Cross Transactions and Commissions

The Collateral Manager, acting on behalf of the Issuer, may conduct principal trades with itself and any member of the CQS Group, subject to applicable law. The Collateral Manager may also effect client cross transactions where the Collateral Manager causes a transaction to be effected between the Issuer and a Related Entity. Client cross transactions enable the Collateral Manager, acting on behalf of the Issuer, to purchase or sell a block of securities for the Issuer at a set price and possibly avoid an unfavourable price movement that may be created through entrance into the market with such purchase or sell order. In addition, with the prior authorisation of the Issuer, which can be revoked at any time, the Collateral Manager may enter into agency cross transactions where it or any member of the CQS Group acts as broker for the Issuer and for the other party to the transaction, in which case any such member of the CQS Group will receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction. Also with the prior authorisation of the Issuer and in accordance with Section 11(a) of the Exchange Act, and regulation 11a2-2(T) thereunder (or any similar rule that may be adopted in the future), the Collateral Manager may effect transactions for the Issuer on a national securities exchange of which it or any member of the CQS Group is a member and retain commissions in connection therewith. Although the members of the CQS Group anticipate that the commissions, mark ups and mark downs charged by the members of the CQS Group will generally be competitive, the Collateral Manager may have interests in such transactions that are adverse to those of the Issuer, such as an interest in obtaining favourable commission rates, mark ups and mark downs.

(e) No Restriction on Acting for other Parties

There is no limitation or restriction on the Collateral Manager or any of its Affiliates with regard to acting as collateral manager (or in a similar role) to other parties or persons. This and other future activities of the Collateral Manager and/or its Affiliates may give rise to additional conflicts of interest.

Certain Conflicts of Interest Involving or Relating to the Initial Purchaser and its Affiliates

Each of the Initial Purchaser and its Affiliates (excluding, for these purposes, the Trustee and the Agents) (the "**Deutsche Bank 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 Deutsche Bank Parties have been involved (together with the Collateral Manager) in the formulation and development of the Portfolio Profile Tests, Coverage Tests, Collateral Quality Tests, Priorities of Payments and other criteria in and provisions of the Trust Deed and the Collateral Management Restatement Agreement. These may be influenced by discussions that the Initial Purchaser may have or has 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 will purchase the Refinancing Notes from the Issuer on the Refinancing 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 Refinancing Notes. The Initial Purchaser may assist clients and counterparties in transactions related to the Refinancing Notes (including assisting clients in future purchases and sales of the Refinancing Notes and hedging transactions). The Initial Purchaser expects to earn fees and other revenues from these transactions.

The Deutsche Bank Parties may retain a certain proportion of the Refinancing 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 Refinancing Notes in the primary or secondary market. The Deutsche Bank 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. In carrying out its obligations as Initial Purchaser or any other transaction party, no Deutsche Bank Party shall be under any duty to disclose to the Collateral Manager, the Issuer, the Trustee, any Noteholders, prospective investor or any other person, any non-public information acquired in the course of carrying on any business for, or in connection with, the provision of services to any other party. The Deutsche Bank Parties may have positions in and will likely have placed or underwritten certain of the Collateral Obligations (or other obligations of the obligors of Collateral Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Collateral Obligations. In addition, the Deutsche Bank Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Obligations. Each of the Deutsche Bank 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 Refinancing Notes or any other party. Moreover, the Issuer may invest in loans of obligors Affiliated with the Deutsche Bank Parties or in which one or more Deutsche Bank Parties hold an equity, participation or other interest. The purchase, holding or sale of such Collateral Obligations by the Issuer may increase the profitability of the Deutsche Bank Party's own investments in such obligors.

From time to time the Collateral Manager will purchase from or sell Collateral Obligations through or to the Deutsche Bank Parties (including a portion of the Collateral Obligations to be purchased on or prior to the Issue Date) and that one or more Deutsche Bank Parties may act as the selling institution with respect to participation interests and/or a counterparty under a Hedge Agreement. The Deutsche Bank Parties may act as placement agent 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 Refinancing Notes.

The Deutsche Bank Parties do not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Refinancing 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, Deutsche Bank Parties and employees or customers of the Deutsche Bank Parties may actively trade in and/or otherwise hold long or short positions in the Refinancing Notes, Collateral Obligations and Eligible Investments or enter into transactions similar to or referencing the Refinancing Notes, Collateral Obligations and Eligible Investments or the obligors thereof for their own accounts and for the accounts of their customers. If a Deutsche Bank Party becomes an owner of any of the Refinancing 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 Refinancing Notes. To the extent a Deutsche Bank Party makes a market in the Refinancing 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 Refinancing 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 Refinancing Notes. The price at which a Deutsche Bank Party may be willing to purchase Refinancing 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 Refinancing Notes and significantly lower than the price at which it may be willing to sell the Refinancing Notes.

DESCRIPTION OF THE REFINANCING NOTES

The information set forth in this section should be read in conjunction with the section entitled "*Terms and Conditions*" in the 2013 Offering Circular.

Pursuant to the Trust Deed as amended by a supplemental trust deed to be dated the Refinancing Date (the "**Supplemental Trust Deed**"), the Refinancing Notes will be issued on the Refinancing Date and the Refinanced Notes will be redeemed at their Redemption Prices on the same date.

Purchasers of the Refinancing Notes will be deemed to have approved the modifications contained in the Supplemental Trust Deed.

Except as expressly set forth herein, the Class A-1 Notes will be subject to the same legal and economic terms and conditions as the Original Class A-1 Notes, the Class A-2 Notes will be subject to the same legal and economic terms and conditions as the Original Class A-2 Notes, the Class B Notes will be subject to the same legal and economic terms and conditions as the Original Class B Notes and the Class C Notes will be subject to the same legal and economic terms and conditions as the Original Class C Notes. Therefore, except as expressly set forth herein, the information regarding the Original Class A-1 Notes, the Original Class A-2 Notes, the Original Class B Notes and the Original Class C Notes set forth in the 2013 Offering Circular also applies to the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes, respectively.

The amendments to the terms and conditions of the Notes will be set forth in the Supplemental Trust Deed and are set out below. This Offering Circular, together with the 2013 Offering Circular, summarises certain provisions of the Trust Deed and other Transaction Documents. The summaries do not purport to be complete and (whether or not so stated in this Offering Circular or the 2013 Offering Circular) are subject to, are qualified in their entirety by reference to, and incorporate by reference, the provisions of the transaction documents (including definitions of terms).

Supplemental Trust Deed – Amendments to the Conditions in respect of the Refinancing Notes

In connection with the Refinancing, the Issuer intends to enter into a supplemental trust deed which will, amongst other things, supplement the Trust Deed concurrently with the Refinancing. The purchasers of Refinancing Notes will be deemed to approve the amendments to the Trust Deed pursuant to the Supplemental Trust Deed.

The following list is not exhaustive and is subject to, and qualified in its entirety by reference to the provisions of the Supplemental Trust Deed.

It is anticipated that the following amendments will be effected by entry into the Supplemental Trust Deed by, (amongst others), the Issuer and the Trustee, however, there is no guarantee that the Issuer will be able to sell the Refinancing Notes with the terms set forth in the contemplated amendments and thus one or more of the amendments may not be implemented or effective on the Refinancing Date and there is no guarantee at what time, if any, they will be implemented or become effective with respect to the Refinancing Notes.

Each reference to "Trust Deed" that appears in the Conditions is replaced by a reference to both this term and the term "Supplemental Trust Deed".

The following definitions will be added to Condition 1 (*Definitions*) in the appropriate alphabetical order:

(a) "**2017 Subscription Agreement**" means the subscription agreement between the Issuer and the Initial Purchaser dated 20 April 2017.

Wherever the term "Subscription Agreement" appears in the Conditions, this will be replaced by a reference to both this term and the term "2017 Subscription Agreement".

(b) "**Account Bank**" means Elavon Financial Services DAC (formerly known as Elavon Financial Services Limited).

Wherever the term "Account Bank" appears in the Conditions, this will be replaced by a reference to the above defined term "Account Bank".

(c) "**Amended and Restated Letter of Undertaking**" means the Letter of Undertaking, as amended and restated pursuant to and in accordance with the terms of an amended and restated letter of undertaking entered into between, amongst others, the Issuer, the Managing Directors and the Trustee dated 20 April 2017.

Wherever the term "Letter of Undertaking" appears in the Conditions, this will be replaced by a reference to the term "Amended and Restated Letter of Undertaking".

(d) "**Amended and Restated Risk Retention Letter**" means the Risk Retention Letter, as amended and restated pursuant to and in accordance with the terms of a deed of amendment and restatement entered into between the Issuer, the Retention Holder, the Trustee and the Collateral Administrator dated 20 April 2017.

Wherever the term "Risk Retention Letter" appears in the Conditions, this will be replaced by a reference to the term "Amended and Restated Risk Retention Letter".

(e) "**Collateral Management Restatement Agreement**" means the Collateral Management and Administration Agreement, as amended and restated pursuant to and in accordance with the terms of a deed of novation, amendment and restatement entered into between, amongst others, the Issuer, the Trustee, the Collateral Administrator, Elavon Financial Services DAC (in such capacity, the "**Custodian**"), the Information Agent and CQS Investment Management Limited (the "**Collateral Manager**") dated 23 January 2015 (as amended on 3 March 2016 and 21 December 2016).

Wherever the term "Collateral Management and Administration Agreement" appears in the Conditions, this will be replaced by a reference to the term "Collateral Management Restatement Agreement".

(f) "**Original Retention Notes**" means, for so long as any Class of Notes remains Outstanding, the Original Notes (other than the Refinanced Notes) acquired on the Original Issue Date and held on an ongoing basis by the Collateral Manager representing not less than 5 per cent. of the Principal Amount Outstanding of each such Class of Original Notes then Outstanding.

(g) "**Refinancing Retention Notes**" means, for so long as any Class of Notes remains Outstanding, the Refinancing Notes acquired on the Refinancing Date and held on an ongoing basis by the Collateral Manager representing not less than 5 per cent. of the Principal Amount Outstanding of each Class of Refinancing Notes then Outstanding.

(h) "**Solvency II Retention Requirements**" means the risk retention requirements and due diligence requirements set out in Article 254 and Article 256 of Chapter VIII of Commission Delegated Regulation (EU) 2015/35, as amended from time to time.

(i) "**U.S. Risk Retention Regulations**" means the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act.

The definition of "**Issue Date**" in Condition 1 (*Definitions*) is replaced with the following:

"**Issue Date**" means:

(i) in respect of the Refinancing Notes, 20 April 2017 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Initial Purchaser and the Collateral Manager and is notified to the Noteholders in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange); and

(ii) in respect of the Class D Notes, the Class E Notes and the Subordinated Notes, 5 December 2013.

The definition of "**Refinancing**" in Condition 1 (*Definitions*) is deleted and replaced with the following:

"**Refinancing**" means, as the context requires:

(i) a refinancing in accordance with Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*); or

(ii) the Refinancing of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes that took effect on 20 April 2017.

The definition of "**Retention Notes**" is replaced with the following:

"**Retention Notes**" means each of the Original Retention Notes and the Refinancing Retention Notes.

The definition of "**Retention Requirements**" is replaced with the following:

"**Retention Requirements**" means the CRD Retention Requirements, the AIFMD Retention Requirements and the Solvency II Retention Requirements.

Condition 6(e)(i)(4) (*Floating Rate of Interest*) is amended to read as follows:

Where:

"**Applicable Margin**" means:

(i) in respect of the Class A-1 Notes, 0.93 per cent. per annum (the "**Class A-1 Margin**");

(ii) in respect of the Class A-2 Notes, 1.40 per cent. per annum (the "**Class A-2 Margin**");

(iii) in respect of the Class B Notes, 2.10 per cent. per annum (the "**Class B Margin**");

(iv) in respect of the Class C Notes, 2.80 per cent. per annum (the "**Class C Margin**");

(iv) in respect of the Class D Notes, 5.10 per cent. per annum (the "**Class D Margin**"); and

(v) in respect of the Class E Notes, 6.10 per cent. per annum (the "**Class E Margin**").

Condition 7(b)(i)(A) (*Optional Redemption in Whole – Subordinated Noteholders*) is amended by inserting the following immediately after "Subject to the provisions of":

"Condition 7(b)(iia) (*No redemption of Refinancing Notes*), "

Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Subordinated Noteholders*) is amended by inserting the following immediately after "Subject to the provisions of":

"Condition 7(b)(iia) (*No redemption of Refinancing Notes*), "

A new Condition 7(b)(iia) (*No redemption of Refinancing Notes*) is inserted at the end of Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Subordinated Noteholders*):

(iia) *No redemption of Refinancing Notes*

None of the Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes will be redeemed pursuant to Condition 7(b)(i)(A) (*Optional Redemption in Whole – Subordinated Noteholders*) or Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Subordinated Noteholders*) from Refinancing Proceeds, except to the extent that (i) a change of law, rule or regulation or regulatory guidance following the date hereof would permit a Refinancing without resulting in non-compliance with the U.S. Risk Retention Regulations, (ii) the U.S. Risk Retention Regulations are no longer in effect or (iii) the U.S. Risk Retention Regulations would be satisfied after giving effect to such redemption of such Class, in each case, as determined by the Collateral Manager (based on advice of nationally recognised counsel experienced in such matters) and provided that no such redemption will occur prior to the Payment Date falling in October 2017.

Condition 14(f) (*Collateral Manager*) is deleted in its entirety.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Refinancing Notes are expected to be approximately €287,875,000. Such proceeds will be used by the Issuer to redeem the Refinanced Notes at the aggregate Redemption Prices of the entire Classes of the Refinanced Notes. Refinancing Costs will be paid as Administrative Expenses and/or Trustee Fees and Expenses, as applicable, in accordance with the Conditions.

THE ISSUER

The information in this section should be read in conjunction with the section entitled "*The Issuer*" in the 2013 Offering Circular.

General

The telephone number of the registered office of the Issuer is +31(0)20 575 56 00 and the facsimile number is +31(0)20 673 00 16.

Managing Directors

The Managing Directors of the Issuer as at the date of this Offering Circular are H.P.C. Mourits, A Weglau and S.E.J. Ruigrok. The business address of the Managing Directors is Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam, The Netherlands.

Capitalisation

The capitalisation of the Issuer as at the date of this Offering Circular, adjusted for the issue of the Refinancing Notes, is as follows:

Share Capital	€
Issued and fully paid one ordinary registered share of €1	1

Loan Capital	€
Class A-1 Notes	€202,125,000
Class A-2 Notes	€46,375,000
Class B Notes	€21,000,000
Class C Notes	€18,375,000
Class D Notes	€22,750,000
Class E Notes	€11,375,000
Subordinated Notes	€39,550,000
Total Capitalisation	€361,550,001

Holding Structure

The entire issued share capital of the Issuer is directly held by Stichting Grosvenor Place CLO 2013-1, a foundation (*stichting*) established under the laws of The Netherlands having its registered office at Herikerbergweg 238, Luna ArenA, 1101 CM, Amsterdam, The Netherlands (the "**Foundation**").

DESCRIPTION OF THE COLLATERAL MANAGER

The information appearing in this section has been prepared by the Collateral 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 Collateral Manager assumes any responsibility for the accuracy or completeness of such information.

The CQS Group

The Collateral Manager is part of the CQS group ("**CQS**").

Founded in 1999, CQS is a $12.4 billion global multi-strategy asset management firm with over 217 staff located globally, 70 of whom are specialist investment professionals.

A founding member of the Hedge Fund Standards Board, CQS is regulated by the FCA in the UK, the SFC in Hong Kong, ASIC in Australia and registered with the SEC in the US, with a presence in the Channel Islands, Cayman Islands and Luxembourg.

The Collateral Manager is a limited liability company incorporated in England and Wales. The Collateral Manager, which is authorised and regulated by the Financial Conduct Authority of the United Kingdom, has responsibility for the discretionary management of the Portfolio under the terms of the Collateral Management Restatement Agreement.

The Collateral Manager is not required, nor does it intend, to register as an investment adviser under the US Advisers Act.

THE RETENTION HOLDER AND RETENTION REQUIREMENTS

*The following description consists of a summary of certain provisions of the Risk Retention Letter as amended and restated on the Refinancing Date (the "**Amended and Restated Risk Retention Letter**") which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.*

Description of the Retention Holder

The Collateral Manager shall act as Retention Holder for the purposes of the Retention Requirements.

The Retention

On the Refinancing Date, the Retention Holder, acting for its own account, will sign the Amended and Restated Risk Retention Letter addressed to the Issuer, the Trustee and the Collateral Administrator.

The Issuer, Collateral Administrator and the Trustee (for the benefit of the Noteholders) are parties to the Amended and Restated Risk Retention Letter solely for the purposes of obtaining the benefit of the representations, warranties and covenants contained therein and under no circumstances shall any of them be deemed to have undertaken any obligations thereunder or by virtue of their entry into the Amended and Restated Risk Retention Letter save as provided therein.

Under the Amended and Restated Risk Retention Letter, the Retention Holder will for so long as any Class of Rated Notes remains Outstanding:

(a) represent that it acquired on the Original Issue Date the Original Retention Notes, (ii) agree to acquire on the Refinancing Date the Refinancing Retention Notes and (iii) agree that it will hold and retain, on an ongoing basis, a material net economic interest of not less than five per cent. of the nominal value of each Class of Notes, in each case in accordance with the Retention Requirements as at the Refinancing Date;

(b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes or the underlying portfolio of Collateral Obligations, except to the extent required or permitted in accordance with the Retention Requirements;

(c) agree to take such further action, provide such information and enter into such other agreements as may reasonably be required to satisfy the Retention Requirements as of (a) the Refinancing Date and (b), solely as regards the provision of information in the possession of the Retention Holder and to the extent the same is not subject to a duty of confidentiality, any time prior to maturity of the Notes;

(d) agree to confirm its continued compliance with the covenants set out at paragraphs (a) and (b) above on a monthly basis to the Issuer, the Collateral Manager, the Trustee and the Collateral Administrator in writing (which may be by way of email);

(e) agree that it shall notify each of its Affiliates of the Amended and Restated Risk Retention Letter and its contents and in particular the requirements set out in (b) above and shall procure that each of its Affiliates complies with the terms of the Amended and Restated Risk Retention Letter and in particular (b) above;

(f) represent that it is an "investment firm" (as such term is defined in point (2) of Article 4(1) of the CRR as at the Refinancing Date); and

(g) agree that it shall immediately notify the Issuer, the Trustee and the Collateral Administrator if for any reason it: (i) ceases to hold the Retention Notes in accordance with (a) above; (ii) fails to comply with the covenants set out in (b) or (e) in any way; or (iii) any of the representations contained in the Amended and Restated Risk Retention Letter fail to be true on any date;

provided that if CQS Investment Management Limited is removed as the Collateral Manager, then CQS Investment Management Limited may dispose of the Retention Notes if permitted in accordance with the Retention Requirements.

Each prospective investor in the Refinancing Notes is required to independently assess and determine the sufficiency for the purposes of complying with the Retention Requirements of the information described above

and in this Offering Circular generally. None of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent or any other person makes any representation or provides any assurance to the effect that the information described above or in this Offering Circular is sufficient in all circumstances for such purposes or that the Retention Holder's compliance with the agreements and undertaking described above would render the transactions described herein compliant with the Retention Requirements. Each prospective investor in the Refinancing Notes that is subject to the Retention Requirements should consult with its own legal, accounting and other advisors and/or its national regulator in determining the extent to which such information is sufficient for such purpose.

U.S. CREDIT RISK RETENTION

Section 941 of the Dodd Frank Act amended the Exchange Act to require the "securitizer" of asset backed securities to retain at least 5 per cent. of the credit risk of the assets collateralizing the asset backed securities. The U.S. Risk Retention Rules became effective beginning on 24 December 2016 with respect to CLOs. However, in the No Action Letter, the Division indicated that it would not recommend enforcement of action by the SEC against Crescent if it did not retain an eligible retention interest in connection with a refinancing of notes issued in a transaction that closed prior to publication of the U.S. Risk Retention Rules in the Federal Register which meets the terms and conditions set forth in the No Action Letter.

In reliance on the statements of the Division in the No Action Letter, the Collateral Manager has informed the Issuer and the Initial Purchaser that it does not intend to comply with the U.S. Risk Retention Rules in respect of the refinancing transaction described in this Offering Circular. It should be noted that the position of the Division is based on the representations made to the Division and that different facts or conditions might require the Division to reach a different conclusion. The No Action Letter only expresses the Division's position on enforcement action and does not express any legal conclusion on the question presented. Reliance on the No Action Letter as described above does not preclude the availability of any applicable private rights of actions for any violation of the federal securities laws. See "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence Requirements – U.S. Risk Retention Rules"*.

PORTFOLIO

The following information should be read in conjunction with the section entitled "*The Portfolio*" in the 2013 Offering Circular.

Collateral Obligations

The most recent Monthly Report (as defined in the 2013 Offering Circular) prior to the Refinancing Date with respect to the Collateral Obligations is included herewith as Annex B and is expressly incorporated herein as an integral part of this Offering Circular, such information has not been audited or otherwise reviewed by any accounting firm. Such information is limited and does not provide a full description of all Collateral Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by the report forming Annex B. Such report contains information as of the dates specified therein and not as of the date of this Offering Circular. As such, the information in the report may no longer reflect the characteristics of the Collateral Obligations as of the date of this Offering Circular or on or after the Refinancing Date.

The composition of the Portfolio will change over time as a result of (i) scheduled and unscheduled principal payments on the Collateral Obligations, (ii) sales of Collateral Obligations and reinvestment of Sale Proceeds and other Principal Proceeds and (iii) other factors, subject to the limitations described under "*The Portfolio*" in the 2013 Offering Circular.

TAX CONSIDERATIONS

1. GENERAL

Purchasers of Refinancing 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 Refinancing Note.

POTENTIAL PURCHASERS ARE WHOLLY RESPONSIBLE FOR DETERMINING THEIR OWN TAX POSITION IN RESPECT OF THE REFINANCING NOTES. POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT THEIR TAX POSITION ON PURCHASE, OWNERSHIP, TRANSFER OR EXERCISE OF ANY REFINANCING NOTE SHOULD CONSULT THEIR OWN TAX ADVISERS. IN PARTICULAR, NO REPRESENTATION IS MADE AS TO THE MANNER IN WHICH PAYMENTS UNDER THE REFINANCING 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 REFINANCING NOTES.

2. NETHERLANDS TAXATION

The comments below are of a general nature based on taxation law and practice in The Netherlands as at the date of this Offering Circular and are subject to any changes therein, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect. The summary relates only to the position of persons who are absolute beneficial owners of the Refinancing Notes and does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Refinancing Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as holders that are subject to taxation in Bonaire, St. Eustatius and Saba or trusts or similar arrangements) may be subject to special rules. The following is a general description of certain tax considerations relating to the Refinancing Notes. It does not purport to be a complete analysis of all tax considerations relating to the Refinancing Notes and so should be treated with appropriate caution. In particular, it does not take into consideration any tax implications that may arise on a substitution of the Issuer. Prospective investors should consult their own professional advisors concerning the possible tax consequences of purchasing, holding and/or selling Refinancing Notes and receiving payments of interest, principal and/or other amounts under the Refinancing Notes under the applicable laws of their country of citizenship, residence or domicile.

Investors should note that with respect to paragraph (b) below, the summary does not describe The Netherlands tax consequences for holders of Refinancing Notes if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in the Issuer under The Netherlands Income Tax Act 2001 (Wet Inkomstenbelasting 2001). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued and outstanding capital of that company or of 5 per cent. or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5 per cent. or more of the company's annual profits and/or 5 per cent. or more of the company's liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis.

Under the existing laws of The Netherlands:

(a) all payments of interest and principal by the Issuer under the Refinancing Notes can be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or tax authority thereof or therein;

(b) a holder of a Refinancing Note who is not a resident of The Netherlands and who derives income from a Refinancing Note or who realises a gain on the disposal or redemption of a Refinancing Note will not be subject to Dutch taxation on such income or capital gain, unless:

(i) the holder is deemed to be, resident in The Netherlands; or

(ii) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or

(iii) the holder is an individual and such income or gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting* 2001).

(c) Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder unless:

(i) the holder is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or as a gift made by or on behalf of a person who, at the time of the gift or death, is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions;

(d) there is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the Refinancing Notes or the performance of the Issuer's obligations under the Refinancing Notes;

(e) there is no Dutch value added tax payable in respect of payments in consideration for the issue of the Refinancing Notes or in respect of the payment of interest or principal under the Refinancing Notes or the transfer of a Refinancing Note, provided that Dutch value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Dutch value added tax purposes such services are rendered, or are deemed to be rendered, in The Netherlands and an exemption from Dutch value added tax does not apply with respect to such services; and

(f) a holder of a Refinancing Note will not be treated as a resident of The Netherlands by reason only of the holding of a Refinancing Note or the execution, performance, delivery and/or enforcement of the Refinancing Notes.

3. UNITED STATES FEDERAL INCOME TAXATION

In General

The following discussion summarises certain of the material U.S. federal income tax consequences of the purchase, beneficial ownership, and disposition and retirement of the Refinancing Notes.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of a Refinancing 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 (for U.S. federal income tax purposes) have the authority to control all of its substantial decisions.

For purposes of this summary, a "**Non-U.S. Holder**" is a beneficial owner of a Refinancing Note that is:

- a nonresident alien individual for U.S. federal income tax purposes;
- a foreign corporation for U.S. federal income tax purposes;
- an estate whose income is not subject to U.S. federal income tax on a net income basis; or
- a trust if no court within the United States is able to exercise primary jurisdiction over its administration or if no United States persons (for U.S. federal income tax purposes) have the authority to control all of its substantial decisions.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States for U.S. federal income tax purposes by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year).

In the case of a partnership (or other pass-through entity for U.S. federal income tax purposes) that is a beneficial owner of a Refinancing Note, the tax treatment of a partner of such partnership (or other equity-holder of such other pass-through entity) will generally depend on the status of such partner (or other equity holder) and upon the activities of such pass-through entity. Partners of partnerships (or other equity holders of other pass-through entities, as applicable) that are beneficial owners of Refinancing Notes should consult their tax advisors.

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 Refinancing Notes for cash at initial issuance (and at their issue price (which is the first price at which a substantial amount of Refinancing Notes within the applicable Class was sold to investors)) and beneficially own such Refinancing 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) 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 Refinancing Notes through a partnership or other entity treated as a partnership for U.S. federal income tax purposes; investors 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 Refinancing 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 Refinancing Notes, or any state, local or foreign tax consequences of the purchase, ownership or disposition of the Refinancing Notes. Finally, this summary does not address holders of the Original Notes that are acquiring the Refinancing Notes.

PROSPECTIVE PURCHASERS OF REFINANCING NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE AND LOCAL TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF REFINANCING NOTES, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION TO WHICH THEY MAY BE SUBJECT.

U.S. Federal Tax Treatment of the Issuer

The Issuer is treated as a foreign corporation for U.S. federal income tax purposes. The Issuer intends to conduct its affairs in a manner designed to prevent the Issuer from being treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes. Prospective investors should be aware, however, that the Issuer has not, and will not, receive any opinion of counsel regarding whether the Issuer has been, or will be, engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes.

If it were determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer would be subject under the Code to the regular U.S. corporate income tax on such effectively connected taxable income (computed possibly without any allowance for deductions) and possibly to a 30 per cent. branch profits tax as well. The imposition of such a tax liability could materially adversely affect the Issuer's ability to make payments on the Refinancing Notes. The balance of this summary assumes that the Issuer is not subject to U.S. federal income tax on its net income.

U.S. Federal Tax Treatment of the Refinancing Notes

Upon the issuance of the Refinancing Notes, the Issuer will receive an opinion from Cadwalader, Wickersham & Taft LLP to the effect that, based on certain assumptions, the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes will be treated as indebtedness for U.S. federal income tax purposes. The Issuer intends to treat the Refinancing Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes. The Issuer's characterization will be binding on all holders, and by acquiring an interest in a Refinancing Note, each holder will agree to treat the Refinancing Notes as indebtedness for U.S. federal, 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 Refinancing Notes are equity in the Issuer. If any Refinancing Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, then the tax consequences to holders of those Notes could be materially different than the tax consequences described herein. Except as otherwise indicated, the balance of this summary assumes that all of the Refinancing Notes are treated as debt of the Issuer for U.S. federal, state and local income and franchise tax purposes. Prospective investors in the Refinancing Notes should consult their tax advisors regarding the U.S. federal, state and local income and franchise tax consequences to the Refinancing Notes and the Issuer in the event such Refinancing Notes are treated as equity in the Issuer. This discussion, and the opinion of Cadwalader, Wickersham & Taft LLP described above, do not address the effects of any supplemental trust deeds.

U.S. Federal Tax Treatment of U.S. Holders of Refinancing Notes

Class A Notes.

Stated Interest. U.S. Holders of Class A 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 A 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 A 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 Accrual Period (or, with respect to an Accrual 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 A 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 Accrual Period (or, with respect to an Accrual 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 Accrual 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 A Notes also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Class A 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.

Sale, Exchange or Retirement. In general, a U.S. Holder will have a basis in its Note equal to the U.S. dollar value of the cost of such Note (based, in the case of a Class A Note, 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)), reduced by the U.S. dollar value of payments of principal on such Note (based, in the case of a Class A Note, 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 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 A 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 B Notes and Class C Notes.

Original Issue Discount. The Issuer will treat the Class B Notes and the Class C Notes as issued with OID for U.S. federal income tax purposes. The total amount of OID with respect to a Class B Note and a Class C 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 B Notes and the Class C 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 Accrual Period (or, with respect to an Accrual 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 Accrual Period (or, with respect to an Accrual 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 Accrual 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 B Notes and Class C 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 B Notes and the Class C 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 Payment Date, and then adjusting the accrual for each subsequent Payment Date based on the difference between the value of EURIBOR used in setting interest for that subsequent Payment Date 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 B Notes and Class C Notes should apply.

U.S. Holders of Class B Notes and Class C Notes also will recognise foreign currency exchange gain or loss on the receipt of interest 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 B Note and a Class C 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 by such U.S. Holder 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 B Note and a Class C 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 B Note and a Class C 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 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 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 Refinancing 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 Refinancing 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 Refinancing Notes on a sale, redemption, or other disposition of the Refinancing 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.

Specified Foreign Financial Asset Reporting

Certain U.S. Holders may be subject to reporting obligations with respect to their Refinancing Notes if they do not hold their Refinancing Notes in an account maintained by a financial institution and the aggregate value of

their Refinancing 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 Refinancing Notes and fails to do so.

3.8 per cent. Medicare Tax on "Net Investment Income"

U.S. Holders that are individuals or estates and certain trusts are subject to an additional 3.8 per cent. tax on all or a portion of their "net investment income", or "undistributed net investment income" in the case of an estate or trust, which may include any income or gain with respect to the Refinancing Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married taxpayer filing a joint return (or a surviving spouse), $125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust (which, in 2017, is $12,500). The 3.8 per cent. Medicare tax is determined in a different manner than the regular income tax and special rules apply with respect to the PFIC and CFC rules described in the 2013 Offering Circular. U.S. Holders should consult their advisors with respect to the 3.8 per cent. Medicare tax.

U.S. Federal Tax Treatment of Non-U.S. Holders of Refinancing Notes

In general, payments on the Refinancing 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 Refinancing 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 Refinancing 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.

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.

Information Reporting and Backup Withholding

Under certain circumstances, the Code requires "information reporting" annually to the IRS and to each holder, and "backup withholding", with respect to certain payments made on or with respect to the Notes. Backup withholding will apply to a U.S. Holder only if the U.S. Holder (i) fails to furnish its Taxpayer Identification Number ("**TIN**") which, for an individual, would be his or her Social Security Number, (ii) furnishes an incorrect TIN, (iii) is notified by the IRS that it has failed to properly report payments of interest and dividends, or (iv) under certain circumstances, fails to certify, under penalties of perjury, that it has furnished a correct TIN and has not been notified by the IRS that it is subject to backup withholding for failure to report interest and dividend payments. The exemption generally is available to U.S. Holders that provide a properly completed IRS Form W-9.

A Non-U.S. Holder that provides an applicable IRS Form W-8, together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder and stating that the Non-U.S. Holder is not a United States person, will not be subject to IRS reporting requirements and U.S. backup withholding.

Information reporting and backup withholding may apply to the proceeds of a sale of Notes made within the United States or conducted through certain U.S. related financial intermediaries, unless the payor receives the statement described above or the Non-U.S. Holder otherwise establishes an exemption.

Backup withholding is not an additional tax and may be refunded (or credited against the holder's U.S. federal income tax liability, if any), provided that certain required information is furnished. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns also may be made available to the tax authorities in the country in which a Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

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 The Netherlands, the Issuer will not be subject to withholding under FATCA if it complies with Dutch implementing 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 Dutch tax authorities (*Belastingdienst*), which would then provide this information to the IRS. The Issuer shall use reasonable best efforts to comply with the intergovernmental agreement and the implementing legislation; however, there can be no assurance that the Issuer will be able to do so. Moreover, FATCA 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.

Each investor will be required to provide the Issuer with information necessary for the Issuer to comply with FATCA. Investors that do not supply this information, or whose ownership of Refinancing Notes would otherwise cause the Issuer to fail to comply with FATCA, may be subject to punitive measures, including a forced transfer of their Refinancing Notes.

Future Legislation and Regulatory Changes Affecting Holders of Refinancing Notes

Future legislation, regulations, rulings or other authority could affect the federal income tax treatment of the Issuer and holders of Refinancing Notes. 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 holders of Refinancing Notes. Prospective investors 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 Refinancing Notes.

PLAN OF DISTRIBUTION

This Plan of Distribution should be read in conjunction with the "Plan of Distribution" in the 2013 Offering Circular.

Deutsche Bank AG, London Branch (in its capacity as initial purchaser, the "**Initial Purchaser**") has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of the Refinancing Notes pursuant to the 2017 Subscription Agreement. The 2017 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 Refinancing Notes at other prices in privately negotiated transactions at the time of sale.

It is a condition of the issue of the Refinancing Notes of each Class that the Refinancing Notes of each other Class be issued in the following principal amounts: Class A-1 Notes: €202,125,000; Class A-2 Notes: €46,375,000; Class B Notes: €21,000,000; and Class C Notes: €18,375,000.

The Refinancing 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 Issuer has been advised that the Initial Purchaser proposes to resell the Refinancing Notes (a) to non-U.S. Persons in offshore transactions in reliance on Regulation S and in accordance with applicable law and (b) to U.S. Persons (directly or through its U.S. broker dealer Affiliate) in reliance on Rule 144A only to or for their own account or for the accounts of, in each case, QIBs/QPs. The Deutsche Bank Parties may retain a certain proportion of the Refinancing Notes in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Refinancing Notes by these parties may adversely affect the liquidity of the Refinancing Notes and may also affect the prices of the Refinancing Notes in the primary or secondary market.

The Refinancing Notes which are Regulation S Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Refinancing Notes which are Rule 144A Notes will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Refinancing Notes and for the listing of the Refinancing Notes of each Class on the Global Exchange Market of the Irish Stock Exchange.

The Initial Purchaser has also agreed to comply with the following selling restrictions:

(a) *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 Refinancing Notes to the public in Denmark unless in accordance with the Danish Securities Trading Act (Consolidation Act No. 1530 of 2 December 2015, as amended from time to time) and Executive Order No. 1257 of 6 November 2015 or Executive Order No. 811 of 1 July 2015, as applicable.

For the purposes of this provision, an offer of the Refinancing Notes in Denmark means the communication in any form and by any means of sufficient information on the terms of the offer and the Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Refinancing Notes.

(b) *European Economic Area*: In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") the Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Refinancing Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Refinancing Notes to the public in that Relevant Member State at any time:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under 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 falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Refinancing Notes shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the Refinancing Notes to the public" in relation to any Refinancing Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Refinancing Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and for the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

(b) *France*: Neither this Offering Circular nor any other offering material relating to the Refinancing Notes has been submitted to the clearance procedures of the Autorité des Marchés Financiers ("**AMF**") or to the competent authority of another Member State of the European Economic Area and subsequently notified to the AMF.

The Initial Purchaser has represented and agreed that:

(i) the Refinancing 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 Refinancing 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 Refinancing 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.

(c) *Germany*: The Refinancing 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 Refinancing Notes will be made to the public in Germany. This Offering Circular and any other document relating to the Refinancing 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 Refinancing Notes to the public in Germany or any other means of public marketing.

(d) *Italy*: The sale of the Refinancing Notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) and the Bank of Italy pursuant to Italian Securities Legislation and, accordingly, the Initial Purchaser has represented and agreed that no Refinancing Notes will be offered,

sold or delivered, nor will copies of the Offering Circular or of any other document relating to the Refinancing Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*) as defined under Article 34, paragraph 1, letter b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation 11971/1999**"); or

(ii) in circumstances which are exempted from the rules on offers of notes to be made to the public pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998 ("**Italian Financial Services Act**") and Article 34, first paragraph, of Regulation 11971/1999.

The Initial Purchaser has acknowledged that any offer, sale or delivery of the Refinancing Notes in the Republic of Italy or distribution of copies of this Prospectus or any other document relating to the Refinancing Notes in the Republic of Italy under (i) and (ii) above must be:

(i) 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 and Legislative Decree no. 385 of 1 September 1993, as amended; and

(ii) in compliance with any other applicable laws and regulations.

Investors should also note that in accordance with Article 100-BIS of the Italian Financial Services Act, where no exemption under (ii) above applies, any subsequent distribution of the Refinancing Notes on the secondary market in Italy must be made in compliance with the rules on offers of notes to be made to the public provided under the Financial Services Act and the regulation 11971/1999. Failure to comply with such rules may result, *inter alia*, in the sale of such Refinancing Notes being declared null and void and in the liability of the intermediary transferring the Refinancing Notes for any damages suffered by the investors.

(e) *Netherlands*: The Initial Purchaser has acknowledged and agreed that the Refinancing Notes may only be offered, sold or delivered in The Netherlands to qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) as amended from time to time) that do not qualify as "public" (within the meaning of Article 4(1) of the CRR and the rules promulgated thereunder, as amended from time to time, together with any successor or replacement provisions *included* in any European Union regulation or directive).

(f) *Switzerland*: The Initial Purchaser has acknowledged that this Offering Circular is being distributed in or from Switzerland to a small number of selected investors only and that the Refinancing Notes are not being offered to the public in or from Switzerland, and neither this Offering Circular, nor any other offering materials relating to the Refinancing Notes may be distributed in Switzerland in connection with any such public offering.

(g) *United Kingdom*: The Initial Purchaser has represented and agreed that:

(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**")) in connection with the issue or sale of any Refinancing 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 FSMA with respect to anything done by it in relation to the Refinancing Notes in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

Clearing Systems

The Refinancing Notes have been accepted for clearance through DTC, Euroclear and Clearstream, Luxembourg. The Common Code, International Securities Identification Number ("**ISIN**") and CUSIP for the Refinancing Notes of each Class are set out below:

	Regulation S Notes		Rule 144 A Notes	
	ISIN	**Common Code**	**ISIN**	**CUSIP**
Class A-1 CM Non-Voting Exchangeable Notes	XS1584009523	158400952	US39927RAT59	39927R AT5
Class A-1 CM Non-Voting Notes	XS1584009010	158400901	US39927RAS76	39927R AS7
Class A-1 CM Voting Notes	XS1584008129	158400812	US39927RAR93	39927R AR9
Class A-2 CM Non-Voting Exchangeable Notes	XS1584010885	158401088	US39927RAW88	39927R AW8
Class A-2 CM Non-Voting Notes	XS1584010372	158401037	US39927RAV06	39927R AV0
Class A-2 CM Voting Notes	XS1584010026	158401002	US39927RAU23	39927R AU2
Class B CM Non-Voting Exchangeable Notes	XS1584012238	158401223	US39927RAY45	39927R AY4
Class B CM Non-Voting Notes	XS1584011859	158401185	US39927RAZ10	39927R AZ1
Class B CM Voting Notes	XS1584011180	158401118	US39927RAX61	39927R AX6
Class C CM Non-Voting Exchangeable Notes	XS1584013392	158401339	US39927RBC16	39927R BC1
Class C CM Non-Voting Notes	XS1584012824	158401282	US39927RBB33	39927R BB3
Class C CM Voting Notes	XS1584012741	158401274	US39927RBA59	39927R BA5

Listing

Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List and to trading on its Global Exchange Market which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC. It is anticipated that listing will take place on or around the Issue Date. There can be no assurance that any such listing will be maintained.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands (if any) in connection with the issue and performance of the Refinancing Notes. The issue of the Refinancing Notes was authorised by resolution of the board of Managing Directors passed on 11 April 2017.

No Material Change

There has been no material adverse change in the financial position or prospects of the Issuer since the date of its last audited financial statements published on 31 December 2015.

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.

Documents Available

Copies of the following documents may be inspected in electronic format 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 Refinancing Notes:

(a) the Articles of Association of the Issuer;

(b) the Trust Deed (which includes the form of each Note of each Class);

(c) the 2017 Subscription Agreement;

(d) the Amended and Restated Risk Retention Letter; and

(e) the audited financial statements of the Issuer for the years ended 31 December 2014 and 31 December 2015.

Documents Incorporated

The 2013 Offering Circular is included herein as Annex A and is expressly incorporated herein as an integral part of this Offering Circular. The information in this Offering Circular should be read in conjunction with the 2013 Offering Circular. The changes described herein supersede all statements which are inconsistent therewith in the 2013 Offering Circular.

Unless the context otherwise specifically requires, all references in the 2013 Offering Circular to a relevant Class of Notes shall be a reference to the same Class of Notes as defined herein (as the context requires) and all references in the 2013 Offering Circular to the Notes shall include the Refinancing Notes (as the context requires). All references in the 2013 Offering Circular to the Trust Deed shall be to the Trust Deed as modified by the Supplemental Trust Deed.

The most recent Monthly Report (as defined in the 2013 Offering Circular) prior to the Refinancing Date with respect to the Collateral Obligations is included herewith as Annex B and is expressly incorporated herein as an integral part of this Offering Circular.

The audited financial statements of the Issuer as at and for the financial years ended 31 December 2014 and 31 December 2015, together with the audit reports thereon, have been filed with the Irish Stock Exchange and shall be deemed to be incorporated in, and to form part of, this Offering Circular.

INDEX OF DEFINED TERMS

ANNEX A

GROSVENOR PLACE CLO 2013-1 B.V.

(a private company with limited liability incorporated under the laws of The Netherlands, having its statutory seat in Amsterdam)

€202,125,000 Class A-1 Senior Secured Floating Rate Notes due 2026
€46,375,000 Class A-2 Senior Secured Floating Rate Notes due 2026
€21,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2026
€18,375,000 Class C Senior Secured Deferrable Floating Rate Notes due 2026
€22,750,000 Class D Senior Secured Deferrable Floating Rate Notes due 2026
€11,375,000 Class E Senior Secured Deferrable Floating Rate Notes due 2026
€39,550,000 Subordinated Notes due 2026

The assets securing the Notes (as defined below) will consist of a portfolio of primarily Senior Obligations, Mezzanine Obligations and High Yield Bonds managed by CQS Cayman Limited Partnership (the "**Collateral Manager**") and sub-managed by CQS Investment Management Limited, as collateral sub-manager (in such capacity, the "**Collateral Sub-Manager**").

Grosvenor Place CLO 2013-1 B.V. (the "**Issuer**") will issue the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes (each as defined herein).

The Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (such Classes, 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 (the "**Trust Deed**") dated on or about 5 December 2013 (the "**Issue Date**"), made between (amongst others) the Issuer and Deutsche Trustee Company Limited, in its capacity as trustee (the "**Trustee**").

Interest on the Notes will be payable (i) quarterly in arrear on 20 January, 20 April, 20 July and 20 October at any time prior to the commencement of a Frequency Switch Period (as defined herein), and (ii) semi-annually in arrear on (A) on 20 January and 20 July (where the Payment Date immediately prior to the commencement of the Frequency Switch Period is either 20 January or 20 July) or (B) on 20 April or 20 October (where the Payment Date immediately prior to the commencement of the Frequency Switch Period is either 20 April or 20 October) (or, in each case, if such day is not a Business Day (as defined herein), then on the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)) in each year, commencing on 20 April 2014 and ending on the Maturity Date (as defined below) in accordance with the Priorities of Payments described herein.

The Notes will be subject to Optional Redemption, Mandatory Redemption and Special Redemption, each as described herein. See Condition 7 (*Redemption and Purchase*).

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

This Offering Circular does not constitute a prospectus for the purposes of Article 5 of Directive 2003/71/EC (as 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 has been made to the Irish Stock Exchange for the Notes to be admitted to the official list (the "**Official List**") and admitted to trading on the Global Exchange Market of the Irish Stock Exchange (the "**Global Exchange Market**"). There can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained. Application has been made to the Irish Stock Exchange to approve this Offering Circular. This Offering Circular constitutes listing particulars for the purpose of this application.

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 (as defined herein). The net proceeds of the realisation of the security over the Collateral upon acceleration of the Notes following an Event of Default (as defined herein) may be insufficient to pay all amounts due on the Notes after making payments to other creditors of the Issuer ranking prior thereto or *pari passu* therewith. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets (including the Issuer Dutch Account and the rights of the Issuer under the Issuer Management Agreement (each as

defined herein)) of the Issuer will not be available for payment of such shortfall, all claims in respect of which shall be extinguished. See Condition 4 (*Security*).

The Notes have not been 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 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**")), in each case, who are both qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and qualified purchasers for the purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Issuer will not be registered under the Investment Company Act. Interests in the Notes will be subject to certain restrictions on transfer, and each purchaser of the 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 Rated Notes are being offered by the Issuer through Deutsche Bank AG, London Branch in its capacity as initial purchaser of the offering of such Rated Notes (the "**Initial Purchaser**") subject to prior sale, when, as and if delivered to and accepted by the Initial Purchaser, and to certain conditions. It is expected that delivery of the Notes will be made on or about the Issue Date.

Deutsche Bank AG, London Branch
Sole Arranger and Initial Purchaser

The date of this Offering Circular is 5 December 2013

The Issuer accepts responsibility for the information contained in this document (save for the information contained in the sections of this document headed "Risk Factors—Certain Conflicts of Interest—Certain Conflicts of Interest Involving or Relating to the Collateral Manager, the Collateral Sub-Manager and their Affiliates", "Description of the Collateral Manager and the Collateral Sub-Manager", "Description of the Collateral Administrator—General" and "Description of the Liquidity Facility Provider") and, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information included in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Manager accepts responsibility for the information contained in the sections of this document headed "Risk Factors—Conflicts of Interest—Certain Conflicts of Interest Involving or Relating to the Collateral Manager, the Collateral Sub-Manager and their Affiliates" and "Description of the Collateral Manager and the Collateral Sub-Manager". To the best of the knowledge and belief of the Collateral 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. The Collateral Administrator accepts responsibility for the information contained in the section of this document headed "Description of the Collateral Administrator—General". 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. The Liquidity Facility Provider accepts responsibility for the information contained in the section of this document headed "Description of the Liquidity Facility Provider". To the best of the knowledge and belief of the Liquidity Facility Provider (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. Except for the sections of this document headed "Risk Factors—Conflicts of Interest—Certain Conflicts of Interest Involving or Relating to the Collateral Manager, the Collateral Sub-Manager and their Affiliates" and "Description of the Collateral Manager and the Collateral Sub-Manager", in the case of the Collateral Manager, "Description of the Collateral Administrator—General", in the case of the Collateral Administrator, and "Description of the Liquidity Facility Provider", in the case of the Liquidity Facility Provider, none of the Collateral Manager, the Collateral Administrator or the Liquidity Facility Provider accept any responsibility for the accuracy and completeness of any information contained in this Offering Circular. The delivery of this Offering Circular at any time does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.

None of the Initial Purchaser, the Trustee, the Collateral Manager (save in respect of the sections headed "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager, the Collateral Sub-Manager and their Affiliates" and "Description of the Collateral Manager and the Collateral Sub-Manager"), the Collateral Administrator (save in respect of the section headed "Description of the Collateral Administrator—General"), the Liquidity Facility Provider (save in respect of the section headed "Description of the Liquidity Facility Provider"), any Agent, any Hedge Counterparty or any other party has separately verified the information contained in this Offering Circular and, accordingly, none of the Initial Purchaser, the Trustee, the Collateral Manager (save as specified above), the Collateral Sub-Manager, the Collateral Administrator (save as specified above), the Liquidity Facility Provider (save as specified above), any Agent, any Hedge Counterparty, or any other party (save for the Issuer as specified above) 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 Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, the Liquidity Facility Provider, any Agent, any Hedge Counterparty 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. None of the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, the Liquidity Facility Provider, any Agent, any Hedge Counterparty (in each case other than as specified above) or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Initial Purchaser, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider, the Collateral Administrator 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 and the Initial Purchaser 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 Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth 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" and "Transfer Restrictions" below.

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 Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider or the Collateral Administrator. 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.

*In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "Euro", "euro", "€" and "EUR" are to the lawful currency of the Member States of the European Union 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 or states ceases to have such single currency as its lawful currency (such member state(s) being the "**Exiting State(s)**"), the euro shall, for the avoidance of doubt, mean for all purposes 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) and any references to "US Dollar", "US dollar", "USD", "U.S. Dollar" or "$" shall mean the lawful currency of the United States of America.*

Each of Moody's Investor Service Ltd. and Fitch Ratings Limited are established in the EU and are registered under Regulation (EC) No 1060/2009.

Any websites referred to herein do not form part of this Offering Circular.

In connection with the issue of the Notes, no stabilisation will take place and Deutsche Bank AG, London Branch will not be acting as stabilising manager in respect of the Notes.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (THE "RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

RETENTION 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 Retention Requirements or any other regulatory requirements. None of the Issuer, the Collateral Manager, the Collateral Sub-Manager, 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 or otherwise comply with the requirements of the Retention Requirements, the implementing provisions in respect of the Retention Requirements in their relevant jurisdiction or any other applicable legal, regulatory or other requirements. Each prospective investor in the Notes which is an Affected Investor (as defined in "*Risk Factors—Regulatory Initiatives*" and "*Risk Factors—Risk Retention in Europe*" below) should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and any other requirements of the Retention Requirements or similar requirements of which it is uncertain. See "*The Retention Holder and Retention Requirements*" and "*Risk Factors—Regulatory Initiatives*".

The Monthly Reports will include a statement as to the receipt by the Issuer and the Trustee of a confirmation from the Collateral Sub-Manager as to the holding of the Retention Notes, which confirmation the Collateral Sub-Manager will undertake, upon request, to provide to the Issuer and the Trustee on a monthly basis.

Information as to placement within the United States

The Rule 144A Notes of each Class (the "**Rule 144A Notes**") will be sold only to "qualified institutional buyers" (as defined in Rule 144A) under the Securities Act ("**Rule 144A**")) ("**QIBs**") that are also "qualified purchasers" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). 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 in some cases definitive certificates (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, and registered in the name of a nominee of a custodian for The Depository Trust Company ("**DTC**") 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 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 in some cases by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**") 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 for Euroclear Bank S.A./N.V., as operator of the Euroclear system ("**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, Clearstream, Luxembourg and DTC and their respective participants. Notes in definitive certificated form will be issued 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 registered under the Investment Company Act. Each purchaser of an interest in the Notes (other than a non-U.S. Person outside the U.S.) will be deemed to have represented and agreed that it is a QP and will also 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/QP, in a transaction meeting the requirements of Rule 144A, or (3) outside the United States to 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*".

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 SECURITIES 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.

This Offering Circular has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein (the "**Offering**"). Each of the Issuer and the Initial Purchaser 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 offeree to whom it has been delivered by the Issuer, the Initial Purchaser 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 the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. 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. INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

PURSUANT TO U.S. INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET OUT HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL

REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN IN CONNECTION WITH THE MARKETING OF THE SECURITIES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NOTWITHSTANDING ANYTHING IN THIS OFFERING CIRCULAR TO THE CONTRARY, EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF EACH PROSPECTIVE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF AN INVESTMENT IN THE SECURITIES AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO THE PROSPECTIVE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. FOR THESE PURPOSES, THE TAX TREATMENT OF AN INVESTMENT IN THE SECURITIES MEANS THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT OF AN INVESTMENT IN THE SECURITIES. IN ADDITION, THE TAX STRUCTURE OF AN INVESTMENT IN THE SECURITIES INCLUDES ANY FACT THAT MAY BE RELEVANT TO UNDERSTANDING THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT OF AN INVESTMENT IN THE SECURITIES.

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 United States Securities Exchange Act of 1934, as amended, 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 also be obtained during usual business hours free of charge at the office of the Principal Paying Agent.

General Notice

EACH PURCHASER OF THE SECURITIES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH SECURITIES 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 SECURITIES 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 INITIAL PURCHASER, THE COLLATERAL MANAGER, THE COLLATERAL SUB-MANAGER, THE TRUSTEE OR THE COLLATERAL ADMINISTRATOR SPECIFIED HEREIN (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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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 (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" 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" below and references to "Conditions" are to the "Terms and Conditions" below. For a discussion of certain risk factors to be considered in connection with an investment in the Notes, see "Risk Factors".*

Issuer	Grosvenor Place CLO 2013-1 B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands
Collateral Manager	CQS Cayman Limited Partnership.
Collateral Sub-Manager	CQS Investment Management Limited.
Trustee	Deutsche Trustee Company Limited.
Initial Purchaser	Deutsche Bank AG, London Branch.
Collateral Administrator	Deutsche Bank AG, London Branch.
Liquidity Facility Provider	Deutsche Bank AG, London Branch.

Notes

Class of Notes	Principal Amount	Initial Stated Interest Rate[1]	Alternative Stated Interest Rate[2]	Moody's Ratings of at least[3]	Fitch Ratings of at least[3]	Maturity Date	Initial Offer Price[4]
A-1	€202,125,000	3 month EURIBOR + 1.40%	6 month EURIBOR + 1.40%	"Aaa (sf)"	"AAAsf"	20 October 2026	99.72
A-2	€46,375,000	3 month EURIBOR + 2.10%	6 month EURIBOR + 2.10%	"Aa2 (sf)"	"AAsf"	20 October 2026	99.04
B	€21,000,000	3 month EURIBOR + 3.00%	6 month EURIBOR + 3.00%	"A2 (sf)"	"Asf"	20 October 2026	99.36
C	€18,375,000	3 month EURIBOR + 3.85%	6 month EURIBOR + 3.85%	"Baa2 (sf)"	"BBBsf"	20 October 2026	97.51
D	€22,750,000	3 month EURIBOR + 5.10%	6 month EURIBOR + 5.10%	"Ba2 (sf)"	"BBsf"	20 October 2026	93.97
E	€11,375,000	3 month EURIBOR + 6.10%	6 month EURIBOR + 6.10%	"B2 (sf)"	"B-sf"	20 October 2026	93.11
Subordinated Notes	€39,550,000	Residual	Residual	Not Rated	Not Rated	20 October 2026	100.00

1 Applicable at any time prior to the commencement of a Frequency Switch Period. The rate of interest of the Notes of each Class for the first interest period will be determined by reference to a straight line interpolation of 3 month EURIBOR and 6 month EURIBOR.

2 Applicable during a Frequency Switch Period.

3 The ratings assigned to the Class A-1 Notes and Class A-2 Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class B Notes, Class C Notes, Class D Notes and Class E Notes address the ultimate payment of principal and interest. A security rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency. As of the date of this Offering Circular, each of the Rating Agencies is established in the European Union ("**EU**") and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation.

4 The Initial Purchaser may offer the Notes at other prices as may be negotiated at the time of sale.

Eligible Purchasers

The Notes of each Class will be offered:

(a) to non-U.S. Persons in "offshore transactions" in reliance on Regulation S; and

(b) to U.S. Persons, in each case, who are QIB/QPs in reliance on Rule 144A.

Distributions on the Notes

Payment Dates

Interest on the Notes will be payable (i) quarterly in arrear on 20 January, 20 April, 20 July and 20 October at any time prior to the commencement of a Frequency Switch Period (as defined herein), and (ii) semi-annually in arrear on (A) on 20 January and 20 July (where the Payment Date immediately prior to the commencement of the Frequency Switch Period is either 20 January or 20 July) or (B) on 20 April or 20 October (where the Payment Date immediately prior to the commencement of the Frequency Switch Period is either 20 April or 20 October) commencing on 20 April 2014 and ending on the Maturity Date (subject to any earlier redemption of the Notes and in each case to adjustment for non Business Days in accordance with the Conditions).

Note Interest

Interest in respect of the Notes of each Class will be payable quarterly in arrear at any time prior to the commencement of a Frequency Switch Period, and thereafter, semi-annually in arrear, in each case on each Payment Date (with the first Payment Date occurring in 20 April 2014) in accordance with the Interest Priority of Payments.

Deferral of Interest

Failure on the part of the Issuer to pay the Interest Amounts due and payable on any Class of Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payments shall not be an Event of Default unless and until:

(a) such failure continues for a period of at least five Business Days save in the case of certain administrative errors or omissions only, where such failure continues for a period of at least seven Business Days; and

(b) in respect of any non payment of interest due and payable on (i) the Class B Notes, the Class A-1 Notes and the Class A-2 Notes have been redeemed in full, (ii) the Class C Notes, the Class A-1 Notes, the Class A-2 Notes, and the Class B Notes have been redeemed in full, (iii) the Class D Notes, the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes have been redeemed in full, and (iv) the Class E Notes, the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C

Notes and the Class D Notes have been redeemed in full,

and save in each case as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*). To the extent that interest payments on the Class B Notes, Class C Notes, Class D Notes or the Class E 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 B Notes, Class C Notes, Class D Notes and the Class E Notes (as applicable), and from the date such unpaid interest is added to the applicable Principal Amount Outstanding of the relevant Class of Notes, such unpaid amount will accrue interest at the rate of interest applicable to the relevant Notes. See Condition 6(c) (*Deferral of Interest*).

Non-payment of amounts due and payable on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds will not constitute an Event of Default.

Redemption of the Notes

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

(a) on the Maturity Date;

(b) on any Payment Date following a Determination Date on which a Coverage Test is not satisfied (to the extent such test is required to be satisfied on such Determination Date);

(c) if, as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each subsequent Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payments, in each case until the Rated Notes are redeemed in full or, if earlier, until such Effective Date Rating Event is no longer continuing (see Condition 7(e) (*Redemption upon Effective Date Rating Event*));

(d) after the Reinvestment Period, on each Payment Date out of Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date (see Condition 7(f) (*Redemption following Expiry of the Reinvestment Period*));

(e) on any Payment Date during the Reinvestment Period at the discretion of the Collateral Manager (acting on behalf of the Issuer), following written certification by the Collateral Manager to the Trustee (on which the Trustee may rely without further enquiry) that, using commercially reasonable endeavours, it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations or Substitute

Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion in sufficient amounts to permit the investment of all or a portion of the funds then available for reinvestment, the Collateral Manager may elect, in its sole discretion, to designate all or a portion of those funds as a Special Redemption Amount (see Condition 7(d) (*Special Redemption*));

(f) in whole (with respect to all Classes of Rated Notes) but not in part on any Payment Date following the expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) at the option of the holders of the Subordinated Notes (acting by way of Ordinary Resolution) (see Condition 7(b)(i) (*Optional Redemption in Whole - Subordinated Noteholders*));

(g) in part by the redemption in whole of one or more Classes of Rated Notes from Refinancing Proceeds on any Payment Date following the expiry of the Non-Call Period if (i) the Collateral Manager proposes to the Subordinated Noteholders at least 30 days prior to the Redemption Date to redeem such Class or Classes of Rated Notes, subject to the Subordinated Noteholders (acting by Ordinary Resolution) approving such proposal or (ii) the Subordinated Noteholders (acting by Ordinary Resolution) direct the Issuer to redeem such Class of Rated Notes, in each case, as long as the Class or Classes of Rated Notes to be redeemed each represents not less than the entire Class of such Rated Notes (see Condition 7(b)(ii) (*Optional Redemption in Part—Collateral Manager/Subordinated Noteholders*));

(h) in whole (with respect to all Classes of Rated Notes) but not in part from Sale Proceeds on any Payment Date following the expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Principal Balance is less than 15 per cent. of the Target Par Amount and if directed in writing by the Collateral Manager (see Condition 7(b)(vi) (*Optional Redemption in Whole—Collateral Manager Clean-up Call*);

(i) the Subordinated Notes may be redeemed in whole at the direction of the holders of the Subordinated Notes (acting by way of Ordinary Resolution) or the Collateral Manager (subject to the consent of the Subordinated Noteholders (acting by Ordinary Resolution)), in each case following the redemption in full of all Classes of Rated Notes (see Condition 7(b)(viii) (*Optional Redemption of Subordinated Notes*));

(j) on any Payment Date following the occurrence of a Collateral Tax Event in whole (with respect to all Classes of Rated Notes) at the option of the Subordinated Noteholders acting by way of Extraordinary Resolution (see Condition 7(b)(i)

(*Optional Redemption in Whole—Subordinated Noteholders*));

(k) in whole (with respect to all Classes of Rated Notes) on any Payment Date at the option of the Controlling Class or the holders of the Subordinated Notes, in each case acting by way of Extraordinary Resolution, following the occurrence of a Note Tax Event, subject to (i) the Issuer having failed to change the territory in which it is resident for tax purposes and (ii) certain minimum time periods (see Condition 7(g) (*Redemption following Note Tax Event*)); and

(l) at any time following an acceleration of the Notes after the occurrence of an Event of Default which is continuing and has not been cured or waived (see Condition 10 (*Events of Default*)).

Non-Call Period — During the period from the Issue Date up to, but excluding, the Payment Date falling in October 2015 (the "**Non-Call Period**"), the Notes are not subject to Optional Redemption (save for upon a Collateral Tax Event, a Note Tax Event or a Special Redemption). See Condition 7(b) (*Optional Redemption*), Condition 7(d) (*Special Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*).

Redemption Prices — The Redemption Price of each Class of Rated Notes will be (a) 100 per cent. of the Principal Amount Outstanding of the Notes to be redeemed (including, in the case of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, any accrued and unpaid Deferred Interest on such Notes) plus (b) accrued and unpaid interest thereon to the day of redemption.

The Redemption Price for each Subordinated Note will be its *pro rata* share (calculated in accordance with paragraph (CC) of the Interest Priority of Payments, paragraph (S) of the Principal Priority of Payments or paragraph (Y) of the Post-Acceleration Priority of Payments (as applicable)) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payments.

Liquidity Facility — For the period (the "**Liquidity Facility Commitment Period**") from (and including) the Issue Date to (but excluding) the earliest of (a) the Payment Date falling in October 2017, subject to renewal for one or two additional one year periods, (b) the date on which the Class A-1 Notes and the Class A-2 Notes are redeemed in full and cancelled and (c) the date on which the Liquidity Facility is cancelled in its entirety in accordance with its terms or, in each case, if such day is not a Business Day, the Business Day immediately prior to such day (the "**Liquidity Facility Commitment Period End Date**") the Issuer will, subject to satisfaction of certain conditions, be entitled to make drawings under a liquidity facility (the "**Liquidity Facility**") provided by the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement between it and the Issuer.

	The maximum amount of the Liquidity Facility shall be €4,000,000, subject to reduction or cancellation in accordance with the terms of the Liquidity Facility Agreement. The Issuer will be entitled to draw under the Liquidity Facility Agreement funds for the payment of any shortfall in the amount of Interest Proceeds and thereafter Principal Proceeds available to pay Interest Amounts due and payable on each Class of Rated Notes (provided each applicable Coverage Test senior to the payment of Interest Amounts in respect of such Class is satisfied on the relevant Determination Date) in accordance with the Priorities of Payments on any Payment Date, but in any event in an amount not exceeding the Accrued Collateral Obligation Interest in respect of such Payment Date (which may be drawn on two Business Days' notice on any Business Day falling not more than eight Business Days prior to a Payment Date), each subject to certain limitations as set out in "*Description of the Liquidity Facility Agreement*".
Priorities of Payments	Prior to the delivery of an Acceleration Notice in accordance with Condition 10(b) (*Acceleration*) or following the delivery of an Acceleration Notice which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), and other than in connection with an Optional Redemption in whole pursuant to Condition 7(b) (*Optional Redemption*) or in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption following Note Tax Event*), Interest Proceeds will be applied in accordance with the Interest Priority of Payments and Principal Proceeds will be applied in accordance with the Principal Priority of Payments. Upon any redemption in whole of the Notes in accordance with Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption following Note Tax Event*) or following the delivery of an Acceleration Notice in accordance with Condition 10(b) (*Acceleration*) which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), Interest Proceeds and Principal Proceeds will be applied in accordance with the Post-Acceleration Priority of Payments, in each case as described in the Conditions.
Collateral Management Fees	
Senior Management Fee	0.15 per cent. per annum of the Collateral Principal Amount (exclusive of any value added tax thereon). See "*Description of the Collateral Management and Administration Agreement – Compensation of the Collateral Manager*".
Subordinated Management Fee	0.35 per cent. per annum of the Collateral Principal Amount (exclusive of any value added tax thereon). See "*Description of the Collateral Management and Administration Agreement – Compensation of the Collateral Manager*".
Incentive Collateral Management Fee	The Collateral Manager will be entitled to an Incentive Collateral Management Fee, payable on each Payment Date subject to the Priorities of Payments, if the Incentive Collateral Management Fee IRR Threshold has been reached, in an amount equal to 20 per cent. of any Interest Proceeds and Principal Proceeds (exclusive of any value added tax thereon) that would otherwise be available to distribute to the

Subordinated Noteholders in accordance with the Priorities of Payments. See "*Description of the Collateral Management and Administration Agreement – Compensation of the Collateral Manager*".

Security for the Notes

General

The Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over a portfolio of Collateral Obligations. 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 Dutch Account and the Issuer Management Agreement. See Condition 4 (*Security*).

Hedge Arrangements

Subject to satisfaction of the Hedging Condition, the Issuer may enter into Hedge Transactions to hedge interest rate or currency risk around or after the Issue Date.

Subject to satisfaction of the Hedging Condition, the Collateral Manager, on behalf of the Issuer (subject to the following paragraph), will arrange, in relation to any Non-Euro Obligation, for the Issuer to enter into a Currency Hedge Transaction in relation to such Non-Euro Obligation. For the avoidance of doubt, the ability of the Issuer to enter into Currency Hedge Transactions, and therefore the ability of the Issuer to acquire Non-Euro Obligations, is subject to satisfaction of the Hedging Condition.

Subject to satisfaction of the Hedging Condition, the Collateral Manager, on behalf of the Issuer (subject to the following paragraph), is authorised to enter into Interest Rate Hedge Transactions that are interest rate protection transactions entered into under an Interest Rate Hedge Agreement (which may be an interest rate swap, an interest rate cap or an interest rate floor transaction) in order to mitigate certain interest rate mismatches from time to time.

The Issuer is required to obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless it is a Form Approved Hedge. See "*Hedging Arrangements*".

Collateral Manager

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to act as the Issuer's collateral manager with respect to the Portfolio, to act in specific circumstances as set out in the Collateral Management and Administration Agreement in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described therein. Pursuant to the Collateral Management and Administration Agreement, the Issuer delegates authority to the Collateral Manager to carry out certain functions in relation to the Portfolio and Hedge Transactions. See "*Description of the Collateral Management and Administration Agreement*" and "*The Portfolio*".

The Collateral Sub-Manager, on behalf of the Issuer, has selected the Collateral Obligations purchased by the Issuer on or prior to the Issue Date pursuant to the Warehouse Arrangements and has independently reviewed and assessed

each such Collateral Obligation.

Collateral Sub-Manager

Pursuant to the Collateral Sub-Management Agreement, the Collateral Manager will delegate its duties and obligations under the Collateral Management and Administration Agreement to the Collateral Sub-Manager, with such delegated duties to be provided by the Collateral Sub-Manager directly to the Issuer. The Collateral Manager shall, notwithstanding such delegation, remain liable to the Issuer for the performance of its duties and obligations under the Collateral Management and Administration Agreement. See "*Description of the Collateral Manager and the Collateral Sub-Manager*", "*Description of the Collateral Management and Administration Agreement—Assignment by the Collateral Manager*", "*Description of the Collateral Sub-Management Agreement*" and "*The Portfolio*".

The investment management functions described in the Collateral Management and Administration Agreement referred to in this Offering Circular will be performed by the Collateral Sub-Manager pursuant to authority granted to the Collateral Sub-Manager by the Issuer and the Collateral Manager under the Collateral Sub-Management Agreement. On this basis, where reference in this Offering Circular is made to the "Collateral Manager" this shall, in relation to investment management services provided to the Issuer, be read as a reference to the Collateral Sub-Manager.

Purchase of Collateral Obligations

Initial Portfolio

The Collateral Sub-Manager (on behalf of the Issuer) has purchased a portfolio of Collateral Obligations prior to the Issue Date pursuant to the Warehouse Arrangements.

Initial Investment Period

During the period from and including the Issue Date to but excluding the earlier of:

(a) the date designated for such purpose by the Collateral Manager, subject to the Effective Date Determination Requirements having been satisfied; and

(b) the Payment Date falling on 20 April 2014

(such earlier date, the "**Effective Date**" and, such period, the "**Initial Investment Period**"), the Collateral Manager (on behalf of the Issuer) intends to use reasonable endeavours to purchase the Portfolio of Collateral Obligations, subject to the Eligibility Criteria and certain other restrictions.

Sale of Collateral Obligations

Subject to the limits described in the Collateral Management and Administration Agreement, the Collateral Manager may dispose of any Collateral Obligation during and after the Reinvestment Periods. See "*The Portfolio – Management of the Portfolio – Discretionary Sales*".

Reinvestment in Collateral Obligations

Subject to the limits described in the Collateral Management and Administration Agreement and Principal Proceeds being available for such purpose, the Collateral Manager shall, on behalf of the Issuer, use reasonable endeavours to purchase Substitute Collateral Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the

	Reinvestment Period. Following expiry of the Reinvestment Period, only Sale Proceeds from the sale of Credit Risk Obligations and Unscheduled Principal Proceeds received after the Reinvestment Period may, but are not required to, be reinvested by the Issuer or the Collateral Manager acting on behalf of the Issuer, in Substitute Collateral Obligations meeting the Eligibility Criteria and Reinvestment Criteria and subject to certain other restrictions. See "*The Portfolio Management of the Portfolio - Reinvestment of Collateral Obligations*".
Eligibility Criteria	In order to qualify as a Collateral Obligation, an obligation must satisfy certain specified Eligibility Criteria. Each obligation shall only be required to satisfy the Eligibility Criteria at the time the Issuer (or the Collateral Manager, acting on behalf of the Issuer) enters into a binding commitment to purchase such obligation save for an Issue Date Collateral Obligation which must also satisfy the Eligibility Criteria on the Issue Date. See "*The Portfolio — Eligibility Criteria*".
Restructured Obligations	In order for a Collateral Obligation which is the subject of a restructuring to qualify as a Restructured Obligation, such Collateral Obligation must satisfy the Restructured Obligation Criteria as at the applicable Restructuring Date. See "*The Portfolio - Restructured Obligations*".
Collateral Quality Tests	The Collateral Quality Tests will comprise the following: For so long as any of the Rated Notes rated by Moody's and are Outstanding: (a) the Moody's Minimum Diversity Test; (b) the Moody's Maximum Weighted Average Rating Factor Test; and (c) the Moody's Minimum Weighted Average Recovery Rate Test; For so long as any of the Rated Notes are rated by Fitch and are Outstanding: (a) the Fitch Maximum Weighted Average Rating Factor Test; and (b) the Fitch Minimum Weighted Average Recovery Rate Test; For so long as any of the Rated Notes are Outstanding: (a) the Minimum Weighted Average Spread Test; (b) the Minimum Weighted Average Coupon Test; and (c) the Weighted Average Life Test.
Portfolio Profile Tests	In summary, the Portfolio Profile Tests will consist of each of the following (the percentage requirements applicable to different types of Collateral Obligations specified in the

Portfolio Profile Tests and summarily displayed in the table below shall be determined by reference to the Collateral Principal Amount):

		Minimum	**Maximum**
a)	Secured Senior Obligations in aggregate	90.0%	N/A
b)	Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and/or High Yield Bonds in aggregate	N/A	10.0%
c)	Collateral Obligations of a single Obligor	N/A	2.5%, provided that in the case of Collateral Obligations which are not Secured Senior Obligations, not more than 1.5%
d)	Non-Euro Obligations (conditional upon a corresponding Currency Hedge Transaction being entered into by the Issuer)	N/A	10.0%
e)	Participations	N/A	5.0%
f)	Current Pay Obligations	N/A	5.0%
g)	Unfunded Amounts/Funded Amounts under Revolving Obligations/Delayed Drawdown Collateral Obligations	N/A	5.0%
h)	Letters of Credit	N/A	2.5%
i)	Corporate Rescue Loans	N/A	5.0%, provided that no more than 2.0% shall consist of Corporate Rescue Loans of a single Obligor
j)	Fitch Rating of "CCC" or lower	N/A	7.5%
k)	Moody's Rating of "Caa1" or lower	N/A	7.5%
l)	Bridge Loans	N/A	3.0%
m)	PIK Securities	N/A	5.0%
n)	Fixed Rate Collateral Obligations	N/A	10.0%
o)	Interest paid less frequently than semi-annually	N/A	5.0%
p)	Domicile of Obligors 1	N/A	10.0% Domiciled in Non-Emerging Market Countries rated below "A-" by Fitch

q)	Domicile of Obligors 2	N/A	10.0% Domiciled in Non-Emerging Market Countries the local currency country bond ceiling rating of which by Moody's is greater than or equal to "Baa3" and less than or equal to "A1"
r)	Cov-Lite Loans	N/A	20.0%
s)	Bivariate Risk Table	N/A	See limits set out in "*The Portfolio - Bivariate Risk Table*"
t)	Obligations of borrowers with Total Facilities greater than or equal to €100,000,000 or the equivalent but less than €150,000,000 or the equivalent	N/A	5.0%
u)	Obligors which are classified in the two Fitch Industry Categories containing the most Collateral Obligations by Aggregate Principal Balance	N/A	30.0%
v)	Moody's Rating derived from S&P rating	N/A	10.0%

Coverage Tests

Each of the Par Value Tests and Interest Coverage Tests shall be satisfied on a Measurement Date in the case of (i) the Par Value Tests, on or after the Effective Date; and (ii) the Interest Coverage Tests on or after the Determination Date immediately preceding the Payment Date occurring on 20 January 2015, 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
A	133.3%
B	123.9%
C	116.6%
D	108.7%

Class	Required Interest Coverage Ratio
A	125.0%
B	112.0%
C	105.0%
D	102.0%

Obligations in respect of which the Issuer or the Collateral Manager, on behalf of the Issuer, has entered into a binding commitment to purchase, but which have not yet settled, shall be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests at any time as if such purchase had been completed. Obligations in respect of which the Issuer or the

	Collateral Manager, on behalf of the Issuer, has entered into a binding commitment to sell, but which have not yet settled, shall not be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests at any time as if such sale had been completed.
Reinvestment Overcollateralisation Test	If the Class D Par Value Ratio is less than 109.2 per cent., as of any Measurement Date on and after the Effective Date, Interest Proceeds shall be paid to the Principal Account during the Reinvestment Period, to be applied for the purpose of the acquisition of additional Collateral Obligations in the Required Diversion Amount equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) of the Interest Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of (A) through (V) (inclusive) of the Interest Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met as of the relevant Measurement Date after giving effect to any payments made pursuant to paragraph (W) of the Interest Priority of Payments.
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 other than the Class D Notes will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof, and the Class D Notes issued in the form of Rule 144A Notes will be issued in minimum denominations of €150,000 and integral multiples of €1,000 in excess thereof.
Form, Registration and Transfer of the Notes	The Regulation S Notes of each Class (other than, in certain circumstances, the Class D Notes, the Class E Notes and the Subordinated Notes as described below) sold outside the United States to non-U.S. Persons in reliance on Regulation S will be represented on issue by beneficial interests in one or more Regulation S Global Certificates 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 for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). 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 (other than, in certain circumstances, the Class D Notes, the Class E Notes and the Subordinated Notes as described below) sold in reliance on Rule 144A to U.S. Persons, in each case, who are QIB/QPs will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts deposited with a custodian for

The Depository Trust Company ("**DTC**"). 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 DTC.

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 QP. 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*".

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*".

A transferee of a Class D Note, a Class E 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 D Note, Class E Note or Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless, in the case of a Controlling Person, 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 Controlling Person (substantially in the form of Annex B).

Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth 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*". The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*), Condition 2(i) (*Forced Transfer pursuant to ERISA*)

	and Condition 2(j) (*Forced Transfer pursuant to FATCA*).
Governing Law	The Notes, the Trust Deed, the Collateral Management and Administration Agreement, the Collateral Sub-Management Agreement, the Agency and Account Bank Agreement, the Liquidity Facility Agreement and all other Transaction Documents (save for the Issuer Management Agreement and the Letter of Undertaking (which are governed by the laws of The Netherlands) and the Euroclear Security Agreement (which is governed by the laws of Belgium)) will be governed by English law.
Listing	Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and admitted to trading on its Global Exchange Market. There can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained.
Tax Status	See "*Tax Considerations*".
Certain ERISA Considerations	See "*Certain ERISA Considerations*".
Withholding Tax	In the event of any withholding tax on payments under the Notes, no gross up of any payments will be payable to the Noteholders. See Condition 9 (*Taxation*).
Additional Issuances	Subject to certain conditions being met, additional Notes of all existing Classes or of the Subordinated Notes may be issued and sold. See Condition 17 (*Additional Issuances*). Noteholders should be aware that additional Notes that are treated for non-tax purposes as a single series with the original Notes may be treated as a separate series for U.S. federal income tax purposes. In addition, potential investors should note that Notes issued after June 30, 2014 which are expressed to be consolidated and form a single series with previously issued Notes may not be grandfathered under FATCA, even if the previously issued Notes originally were grandfathered under FATCA.
Retention Requirements	The Retention Notes will be subscribed for by the Collateral Sub-Manager on the Issue Date and, pursuant to the Risk Retention Letter, the Collateral Sub-Manager will undertake to retain the Retention Notes with the intention of complying with the Retention Requirements. See "*The Retention Holder and the Retention Requirements*" and "*Risk Factors—Regulatory Initiatives*".

RISK FACTORS

An investment in the Notes of any Class involves certain risks, including risks relating to the Collateral securing such Notes and risks relating to the structure and rights of such Notes and the related arrangements. Prospective investors should carefully consider the following 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 Collateral Obligations and other financial assets with certain risk characteristics as described below and subject to the investment policies, restrictions and guidelines described in "*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 to 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 Payments. See Condition 3(c) (*Priorities of Payments*). In particular, payments in respect of the Class A-1 Notes are generally higher in the Priorities of Payments than those of the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes. None of the Initial Purchaser, the Trustee, the Collateral Administrator or the Agents undertakes to review the financial condition or affairs of the Issuer, the Collateral Manager or the Collateral Sub-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 Trustee, the Collateral Administrator or the Agents which is not included in this Offering Circular.

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, 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 Payments. 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 the regulation of the same 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 futures markets are subject to comprehensive statutes, regulations 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 derivatives 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

In the past six years, European financial markets have experienced volatility and have been adversely affected by concerns over economic contraction in certain 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. Several countries have experienced or are currently experiencing a "double-dip" recession and there remains a risk of a "double-dip" recession in countries which have experienced modest growth over previous quarters and continued recession in countries which have not yet experienced positive growth since the onset of the global recession.

As discussed further in 1.6 (*Euro 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 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.

There exist significant risks for the Issuer and investors as a result of the 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. 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 Collateral Manager to invest and, ultimately, 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.

Many financial institutions, including banks, continue to suffer from capitalisation issues. 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.

One of the effects of the global credit crisis and the failure of financial institutions has been an introduction of a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitised instruments. Such additional rules and regulations could, among other things, adversely affect Noteholders as well as the flexibility of the Collateral Manager in managing and administering 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 at the same time or to the same degree as such other recovering sectors.

1.6 **Euro and Euro Zone Risk**

The deterioration of the sovereign debt of several countries such as Greece, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has exacerbated the global economic crisis. This situation has also raised a number of 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 result of the credit crisis in Europe, in particular in Cyprus, Greece, Ireland, Italy, Portugal and Spain, 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. In March 2011, the European Council agreed on the need for Euro zone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "**ESM**"), which will be activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries after June 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, Ireland, Italy, Spain and Portugal, together with the risk that some countries could leave the Euro zone (either voluntarily or involuntarily), 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 Issuer, the Collateral 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. It is difficult to predict the final outcome of the Euro zone crisis. Investors should carefully consider how changes to the Euro zone may affect their investment in the Notes.

1.7 **Regulatory Initiatives**

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the banks, financial institutions 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 asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Initial Purchaser, the Retention Holder, the Collateral Manager, the Collateral Sub-Manager, the Trustee, the Liquidity Facility Provider, the Collateral Administrator, the Agents, nor any of their Affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Issue Date or at any time in the future.

1.8 **Risk Retention in Europe**

On 31 December 2010, the European Banking Authority (formerly known as the Committee of European Banking Supervisors) ("**EBA**") published its final guidelines on the implementation of Article 122a of the Capital Requirements Directive ("**Article 122a**") and on 29 September 2011 published some additional guidance in the form of a question and answer document (collectively, the "**Article 122a Guidelines**"). The CRD Retention Requirements apply to credit institutions (and from 1 January 2014, investment firms) established in a Member State of the European Economic Area ("**EEA**") and consolidated group affiliates thereof (including those that are based outside of the EEA) that invest in or have an exposure to credit risk in securitisations, and in particular, in new securitisations issued after 31 December 2010. The CRD Retention Requirements impose an increased capital charge on a securitisation position acquired by such investors unless, among other conditions, (a) the originator, sponsor or original lender for the securitisation has explicitly disclosed that it will retain on an ongoing basis, a material net economic interest of not less than five per cent. of the

nominal value of the securitised exposures or of the tranches sold to investors, and (b) such investor is able to demonstrate that it has undertaken certain due diligence in respect of its securitisation position and the underlying exposures and that procedures are established for monitoring the performance of the underlying exposures on an on-going basis.

On 22 July 2013, similar requirements applying to EEA managers of alternative investment funds under the AIFMD became effective. Although the AIFMD Retention Requirements are similar to the CRD Retention Requirements, they are not identical. In particular, additional due diligence obligations apply to such managers and, rather than resulting in an increased capital charge, the sanction for non-compliance is a requirement to take corrective measures. It remains to be seen how this requirement is expected to be addressed by AIFMs should those circumstances arise.

The Retention Requirements apply to new securitisations issued on or after 1 January 2011. Requirements similar to the Retention Requirements will apply to investments in securitisations by other types of EEA investors such as EEA insurance and reinsurance undertakings (when Solvency II comes into force), and also (once level 2 measures are adopted under Directive 2009/65/EC on Undertakings for Collective Investment in Transferable Securities (the "**UCITS Directive**")) by funds requiring authorisation under the UCITS Directive, (all of which investors, together with investors to which the Retention Requirements apply, are "**Affected Investors**"). Though many aspects of the detail and effect of all of these requirements remain unclear, the Retention Requirements, Solvency II, the UCITS Directive and any other changes to the regulation or regulatory treatment of securitisations or of the Notes for some or all Affected Investors may negatively impact the regulatory position of individual holders and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Affected Investors should therefore make themselves aware of the requirements of the Retention Requirements and any other applicable legislation governing retention and due diligence requirements for investing in securitisations (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.

Each investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator to determine whether, and to what extent, the information set out herein, in the section of this Offering Circular entitled "*The Retention Holder and Retention Requirements*", information elsewhere in this Offering Circular generally and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying the Retention Requirements or any other applicable requirements. Affected Investors are required to independently assess and determine the sufficiency of such information. None of the Issuer, the Collateral Manager, the Collateral Sub-Manager, the Initial Purchaser, the Retention Holder, the Trustee, the Collateral Administrator, the Liquidity Facility Provider, the Agents, 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 Retention Requirements, the requirements of Solvency II, the UCITS Directive 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 the Retention Requirements, the requirements of Solvency II, the UCITS Directive or any other applicable legal regulatory or other requirements. In the event that a regulator determines that the transaction did not comply or is no longer in compliance with the Retention Requirements, the requirements of Solvency II, the UCITS Directive or any other applicable legal regulatory or other requirements, then if you are an Affected Investor you may be required by your regulator to set aside additional capital against your investment in the Notes or take others remedial measures in respect of your investment in the Notes.

It should be noted that on 16 April 2013, the European Parliament adopted a new directive and a regulation, Regulation (EU) No. 575/2013 ("**CRR**"), which was published in the Official Journal on 27 June 2013 and will take effect on 1 January 2014. Articles 404-410 (inclusive) of CRR replace and, in certain respects, differ from the CRD Retention Requirements currently in force, and extend the requirements described above to investment firms as well as credit institutions. In addition, on 22 May 2013, the EBA published a consultation paper on draft regulatory technical standards and implementing technical standards (the "**Draft RTS**"), which will replace the current Article 122a Guidelines. There are significant differences between the Draft RTS and the current Article 122a

Guidelines, although it is noted that the Draft RTS is the subject of a public consultation. There thus remains uncertainty both as to the content of the final regulatory and implementing technical standards (the "**RTS**") and as to how the RTS will affect transactions entered into prior to their adoption. The CRD Retention Requirements apply to new securitisations issued on or after 1 January 2011, however the Draft RTS do not indicate that transactions issued before 1 January 2014 and structured in reliance on the Article 122a Guidelines will be treated as compliant. No assurance can be provided that any changes made through the RTS will not affect the CRD Retention Requirements which apply to Affected Investors and, as a result no assurance can be given that the Collateral Sub-Manager will be an eligible retention entity for the purposes of the CRD Retention Requirements, or otherwise of the satisfaction of any retention or related requirements following the effective date of these changes.

With respect to the intended fulfilment by the Retention Holder of the Retention Requirements, please refer to "*The Retention Holder and Retention Requirements*" section of this Offering Circular.

Under the Risk Retention Letter, the Retention Holder and the Collateral Manager have agreed that if any Noteholder in the Controlling Class provides to the Collateral Manager and the Collateral Sub-Manager a statement in writing of any applicable European competent authority for the purposes of the Retention Requirements evidencing a determination by that authority that the Retention Notes cannot be validly held by the Collateral Sub-Manager in accordance with Article 122a solely because of the sub-management structure employed by the Collateral Manager and the Collateral Sub-Manager, the Collateral Sub-Manager and the Collateral Manager will agree to replace, on a best endeavours basis within 45 Business Days, CQS Cayman Limited Partnership with CQS Investment Management Limited as collateral manager.

1.9 Credit Rating Agency Regulation

On 13 May 2013, the finalised text of a Regulation of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies ("**CRA**") was published. CRA became effective on the 20 June 2013 (the "CRA Effective Date"). CRA provides for certain additional disclosure requirements which will become applicable in relation to structured finance transactions. Such disclosures will need to be made via a website to be set up by the European Securities and Markets Authority ("ESMA"). The scope and manner of such disclosure will be subject to regulatory technical standards prepared by ESMA. The regulatory technical standards have not yet been published by ESMA and it is anticipated that they will be published in draft form within a year of the CRA Effective Date. Subsequently they will be subject to a consultation period. It is not possible for the Issuer or any other party to comply with the disclosure requirements until such time as the regulatory technical standards are made available. Additionally, CRA has introduced a requirement that issuers or related third parties of structured finance instruments solicit two independent ratings for their obligations; and should consider appointing at least one rating agency having less than a 10 per cent. market share. At this time it is not possible for the Issuer to comply with some of these requirements. Investors should consult their legal advisors as to the applicability of CRA in respect of their investment in the Notes.

1.10 EMIR

The European Market Infrastructure Regulation EU 648/2012 ("**EMIR**") entered into force on 16 August 2012. EMIR aims to increase stability in OTC derivatives markets and includes measures to require the clearing of certain OTC derivatives through central clearing counterparties and to increase the transparency of OTC derivatives. EMIR introduces certain requirements in respect of derivative contracts entered into by certain financial counterparties ("**FCs**"), such as European investment firms, alternative investment funds, credit institutions and insurance companies, and counterparties who are not FCs ("**NFCs**").

In connection with EMIR, various technical standards have now come into force, however, certain critical technical standards remain outstanding, including those addressing which classes of over-the-counter ("**OTC**") derivative contracts will be subject to the clearing obligation and the scope of collateralisation obligations in respect of OTC derivative contracts which are not cleared. FCs will be subject to a general obligation to clear all "eligible" OTC derivative contracts through a duly authorised or recognised central counterparty (the "**clearing obligation**"), to report the details of all derivative contracts to a trade repository (the "**reporting obligation**") and undertake certain risk mitigation techniques in respect of OTC derivative contracts which are not subject to the clearing obligation (the

"**risk mitigation obligation**"), such as the timely confirmation of the terms of the OTC derivative contracts, portfolio reconciliation and compression and the implementation of dispute resolution procedures.

NFCs are subject to certain risk mitigation obligations. NFCs are exempted from the clearing obligation and certain additional risk mitigation obligations, such as the posting of collateral, as long as they do not exceed the applicable clearing thresholds established by the regulatory technical standard for the relevant class of OTC derivative contracts. OTC derivative contracts which are objectively measurable as reducing risks directly related to commercial activity or treasury financing activity of an NFC or the group to which it belongs (the "**hedging exemption**") will not be included towards the clearing thresholds.

If the Issuer is considered to be a member of a "group" (as defined in EMIR) or otherwise no longer makes use of the hedging exemption, there is a risk of it becoming subject to the clearing obligation and such additional risk mitigation obligations. It may not be possible for the Issuer to know if any of the thresholds have been exceeded or if it has become part of a "group" for the purposes of EMIR and this status in any event may be subject to change. In the event that the Issuer exceeds the applicable clearing thresholds, it would be required to post collateral both in respect of cleared and non-cleared OTC derivative contracts. The Issuer will be unable to comply with such requirements. In such circumstances, hedge counterparties may be unable to enter into hedge transactions with the Issuer. This could result in the termination of relevant Hedge Agreements and/or limit the Issuer's ability to invest in Non-Euro Obligations or mitigate interest rate risk. Any such termination could expose the Issuer to costs and increased interest rate or currency exchange rate risk until such assets can be sold within the time period specified elsewhere herein. If the Issuer is, as a result, unable to enter into Hedge Agreements this will affect its ability to purchase Non-Euro Obligations or may result in it being in breach of its obligations to enter into Hedge Agreements with respect to any Non-Euro Obligations it has purchased. The Issuer may also be exposed to interest rate risk as further described below (see "*Interest Rate Risk*" below). The Conditions of the Notes allow 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 EMIR which may become applicable at a future date. Further regulations are expected. 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 and may adversely affect the Issuer's ability to engage in derivative contracts. As a result of such increased costs and/or increased regulatory requirements, investors may also receive significantly less or no interest or return, as the case may be. Alternatively the regulations and/or associated costs involved could preclude the Collateral Manager from being able to execute its investment strategy as anticipated. Investors should be aware that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, 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 respects of the Notes.

1.11 Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") became effective on 22 July 2013, although there are transitional provisions which expire one year later on 22 July 2014. AIFMD provides, among other things, that all alternative investment funds ("**AIFs**") must have a designated alternative investment fund manager ("**AIFM**") with responsibility for portfolio and risk management. There is an exemption provided in respect of "securitisation special purpose entities" (the "**SSPE Exemption**"). In addition, a number of national regulators including the Financial Conduct Authority (the "**FCA**") have issued a policy statement in relation to the implementation of AIFMD in the United Kingdom. However in providing such guidance, the regulators have referred to the possibility that the European Securities and Markets Authority will, in due course, provide additional guidance on the types of structures which will be considered AIFs and the meaning of the SSPE Exemption under the AIFMD.

The European Securities and Markets Authority has not yet given any formal guidance on the application of the SSPE Exemption or whether a CLO would fall within the SSPE Exemption. If AIFMD were to apply to the Issuer, the Collateral Manager would need to be appropriately regulated. The Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing obligations or other risk mitigation techniques with respect to Hedge Transactions including obligations to post margin to any central clearing counterparty or market

counterparty. See also *"EMIR"* above. In addition, the AIFMD would entail several consequences for the Issuer, notably:

(a) the Issuer would have to delegate the management of its assets to a duly licensed AIFM (the "**Issuer AIFM**");

(b) the Issuer AIFM would have to implement procedures in order to identify, prevent, manage, monitor and disclose conflict of interests;

(c) adequate risk management systems would need to be implemented by the Issuer AIFM to identify, measure, manage and monitor appropriately all risks relevant to the Issuer's investment strategy and to which the Issuer is or can be exposed (including appropriate stress testing procedures);

(d) valuation procedures would need to be designed at the Issuer level;

(e) a depositary would have to be appointed in relation to the Issuer's assets; and

(f) the Issuer and the Issuer AIFM would be subject to certain reporting and disclosure obligations.

From the Issuer's perspective, if the Issuer were considered to be an AIF and could not benefit from the SSPE Exemption or any other exemption, the AIFMD would require the Collateral Manager and/or the Issuer to seek authorisation to become an AIFM under the AIFMD and impose certain duties and responsibilities on the Collateral Manager in respect of its management of the Portfolio. If the Collateral Manager or the Issuer were to fail to, or be unable to, obtain such authorisation, the Collateral Manager may not be able to continue to manage the Issuer's assets, or its ability to do so may be impaired. Any regulatory changes arising from implementation of the AIFMD (or otherwise) that impairs the ability of the Collateral Manager to manage the Issuer's assets may adversely affect the Issuer's ability to carry out its investment strategy and achieve its investment objective. In addition, any such additional duties and responsibilities may result in the incurrence by the Collateral Manager of additional costs and expenses, which may be payable by the Issuer.

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

1.12 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 the most comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act requires many lengthy rulemaking processes that will ultimately result in the adoption of a multitude of new regulations potentially applicable to those of the Collateral Manager and its subsidiaries and affiliates and the Issuer that transact business in the U.S. or with U.S. persons outside the U.S. Once fully implemented, the Dodd-Frank Act will affect many aspects, in the U.S. and internationally, of the business of the Collateral Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivatives and other activities. While certain regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, many implementing regulations currently exist only in draft form and are subject to comment and revision, while other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the businesses of the Collateral Manager and its subsidiaries and affiliates and the Issuer, will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect.

This uncertainty is further compounded by the numerous regulatory efforts underway outside the U.S. Certain of these efforts overlap with the substantive provisions of the Dodd-Frank Act, while others, such as proposals for financial transaction and/or bank taxes in particular countries or regions, do not. In addition, even where these U.S. and international regulatory efforts overlap, these efforts generally have not been undertaken on a coordinated basis. Areas where divergence between U.S. regulators and their international counterparts exists or has begun to develop (whether with respect to scope, interpretation, timing, approach or otherwise) includes trading, clearing and reporting requirements for

derivatives transactions, higher U.S. capital and margin requirements relating to uncleared derivatives transactions, and capital and liquidity requirements that may result in mandatory "ring-fencing" of capital or liquidity in certain jurisdictions, among others.

Investors should be aware that those risks are material and that the Issuer and Deutsche Bank AG, London Branch could be materially and adversely affected thereby. 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.

1.13 Commodity Pool Regulation

Pursuant to the Dodd-Frank Act, the Commodity Futures Trading Commission ("**CFTC**") has promulgated a range of new regulatory requirements (the "**CFTC Regulations**") that may affect the pricing, terms and compliance costs associated with the entry into any Hedge Transaction by the Issuer and the availability of such Hedge Transactions. Some or all of the Hedge Transactions that the Issuer 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 and variation margin requirements of any central clearing organisation (with respect to cleared swaps) or initial or variation requirements as may otherwise be required with respect to uncleared swaps, (iii) swap reporting and recordkeeping obligations, and other matters. These new requirements may significantly increase the cost to the Issuer and/or the Collateral Manager of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Obligations, have unforeseen legal consequences on the Issuer or the Collateral Manager or have other material adverse effects on the Issuer or the Noteholders.

In addition, 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 of 1936, as amended ("**CEA**") and the Collateral Manager to be a "commodity pool operator" ("**CPO**") 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 are subject to regulation by the CFTC and must register with the CFTC unless an exemption from registration is available. Based on recent CFTC interpretive guidance, the Issuer is not expected to be treated as a commodity pool and as such, the Issuer (or the Collateral Manager on the Issuer's behalf) may enter into Hedge Agreements (or any other agreement that would fall within the definition of "swap" as set out in the CEA) if at the time such Hedge Agreement is entered into, the Hedging Condition is satisfied.

In the event that the recent CFTC guidance changes or the Issuer engages in one or more activities that might cause it to be treated as a commodity pool and no exemption from registration is available, registration of the Collateral Manager as a CPO may be required before the Issuer (or the Collateral Manager on the Issuer's behalf) may enter into any Hedge Agreement. Registration of the Collateral Manager as a CPO could cause the Collateral Manager to be subject to extensive compliance and reporting requirements that would involve material costs which would 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. In addition, in the event an exemption from registration were available and the Collateral Manager elected to file for an exemption, the Collateral Manager would not be required to deliver certain CFTC mandated disclosure documents or a certified annual report to investors or satisfy on-going compliance requirements under Part 4 of the CFTC Regulations, as would be the case for a registered CPO. Further, the conditions of such exemption may constrain the extent to which the Issuer may be able to enter into swap transactions. In particular, the limits imposed by such exemptions may prevent the Issuer from entering into a Hedge Transaction that the Collateral 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.

Further, if the Collateral 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 "commodity pool operator", the Collateral Manager may elect to withdraw its exemption from registration and instead register with the CFTC as the Issuer's CPO. The costs of obtaining and maintaining these registrations and the related compliance obligations would 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 Collateral Manager anticipated when deciding to enter into the transaction and register as a CPO. In addition, it may not be possible or advisable for the Collateral Manager to withdraw from registration as a CPO after any relevant swap transactions terminate or expire. The costs of CPO registration and the ongoing CPO compliance obligations of the Collateral Manager could exceed, perhaps significantly, the financial risks that are being hedged pursuant to any Hedge Transaction.

1.14 **Volcker Rule**

Another potential consequence of the CFTC's expansive interpretation of commodity pool and related definitions is presented under Section 619 of the Dodd-Frank Act (the "**Volcker Rule**"). In their proposed rulemaking, the agencies charged with drafting regulations under the Volcker Rule, including the CFTC, construed the statutory definition therein of "hedge fund" and "private equity fund" as providing them with discretion to define the term "covered fund" to include any commodity pool as defined in the CEA, without regard as to whether the commodity pool is in the nature of a hedge fund or a private equity fund. If the Issuer is deemed to be a commodity pool, and commodity pools are treated as "covered funds", then in the absence of regulatory relief, the provisions of the Volcker Rule, including the so-called "Super 23A" provisions, would generally prohibit U.S. banking institutions and other banking entities subject to the Volcker Rule from maintaining an ownership interest in the Issuer, extending credit to the Issuer, or entering into derivative transactions with the Issuer. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally.

1.15 **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) examined a flip clause 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 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. In 2012, a new suit was filed in the U.S. Bankruptcy Court by claimants in the *Belmont* case asking, among other things, for the U.S. Bankruptcy Court to recognise and enforce the decision of the English Supreme Court and to declare that flip clauses are enforceable under U.S. bankruptcy law notwithstanding that court's earlier decision. Plaintiffs in that suit have also filed a companion motion alleging that the issues in their complaint are tangential to the bankruptcy before the U.S. Bankruptcy Court and that, therefore, the suit should be removed to a U.S. district court. Given the current state of U.S. and English law, 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 Payments, 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 Payments would certainly be enforceable as a matter of English law, in the case of insolvency of a Hedge Counterparty.

Moreover, if the Priorities of Payments 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 Payments, it is possible that termination payments due to the Hedge Counterparties would not be subordinated as envisaged by the Priorities of Payments 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.

1.16 LIBOR and EURIBOR Reform

The London Inter-Bank Offered Rate ("**LIBOR**") is currently being reformed, including (i) the replacement of the British Bankers' Association (the "**BBA**") as LIBOR administrator, (ii) a reduction in the number of currencies and tenors for which LIBOR is calculated, and (iii) changes in the way that LIBOR is calculated, by compelling more banks to provide LIBOR submissions and basing these submissions on actual transaction data. Investors should be aware that:

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

(b) if the applicable rate of interest on any Collateral Obligation is calculated with reference to a currency or tenor which is discontinued:

  (i) such rate of interest will then be determined by the provisions of the affected Collateral Obligation, 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 affected Collateral Obligation and the replacement rate of interest the Issuer must pay to the Hedge Counterparty under any applicable Hedge Agreement. This could lead to the Issuer receiving amounts from affected Collateral Obligations which are insufficient to make the due payment under the Hedge Agreement, and potential termination of the Hedge Agreement; and

(c) the administrator of LIBOR will not have any involvement in the Collateral Obligations or the Notes and may take any actions in respect of LIBOR without regard to the effect of such actions on the Collateral Obligations or the Notes.

Any of the above or any other significant change to the setting of LIBOR could have a material adverse effect on the value of, and the amount payable under, (i) any Collateral Obligations which pay interest linked to a LIBOR rate and (ii) the Notes.

The Euro Interbank Offered Rate ("**EURIBOR**") and other so-called "benchmarks" are the subject of proposals for reform by a number of international authorities and other bodies. In September 2013, the European Commission published a proposed regulation (the "**Proposed Benchmark Regulation**") on indices used as benchmarks in financial instruments and financial contracts. The date the Proposed Regulation will come into force is not yet clear but is not expected to be any earlier than 2015.

The Proposed Benchmark Regulation will, if enacted, make significant changes to the way in which EURIBOR is calculated, including detailed codes of conduct for contributors and transparency requirements applying to contributions of data. Benchmarks such as EURIBOR may be discontinued if they do not comply with these requirements, or if the administrator of the benchmark either fails to apply for authorisation or is refused authorisation by its home regulator.

Investors should be aware that:

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

- if the applicable rate of interest on any Collateral Obligation is calculated with reference to a EURIBOR currency or tenor which is discontinued, such rate of interest will then be determined by the provisions of the affected Collateral Obligation, which may include determination by the relevant calculation agent in its discretion;

- if the EURIBOR benchmark referenced in Condition 6(e)(i)(1) (*Floating Rate of Interest*) is discontinued, interest on the Notes will be calculated under Condition 6(e)(i)(2) (*Floating Rate of Interest*); and

- the administrator of EURIBOR will not have any involvement in the Collateral Obligations or the Notes and may take any actions in respect of EURIBOR without regard to the effect of such actions on the Collateral Obligations 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 Collateral Obligations which pay interest linked to a EURIBOR rate or other benchmark (as applicable), and (ii) the Notes.

1.17 **FATCA**

FATCA may impose a 30 per cent. withholding tax on payments of U.S. source interest and dividends made on or after 1 July 2014 and of gross proceeds from the sale of certain U.S. assets made on or after 1 January 2017 to a foreign financial institution (or "**FFI**") (such as the Issuer) that, unless exempted or deemed compliant, does not enter into, and comply with, an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its U.S. accountholders. Further, FATCA may impose a withholding tax of up to 30 per cent. on gross payments due under derivatives in certain circumstances.

To avoid the withholding tax, the Issuer may enter into an agreement with the IRS (an "**IRS Agreement**"). Unless exempted or deemed compliant, an FFI that does not enter into such agreement or whose agreement is voided by the IRS will be treated as a "**non-Participating FFI**". In general, an IRS Agreement will require the Issuer (or an intermediary financial institution, broker or agent (each, an "**Intermediary**") through which a beneficial owner holds its interest in a Note) to agree to (i) obtain certain identifying information regarding the holder of such Note to determine whether the holder is a U.S. person or U.S. owned foreign entity and to periodically provide identifying information about the holder to the IRS and (ii) comply with withholding and other requirements. In order to comply with its information reporting obligation under the IRS Agreement, the Issuer will be obliged to obtain information from all Noteholders. To the extent any payments in respect of the Notes are made to a Noteholder by an Intermediary, such Noteholder may be required to comply with the Intermediary's requests for identifying information that would permit the Intermediary to comply with its own IRS Agreement. Any Noteholder that fails to properly comply with the Issuer's or an Intermediary's requests for certifications and identifying information or, if applicable, a waiver of non-U.S. law prohibiting the release of such information to a taxing authority, will be treated as a "**Recalcitrant Holder**".

The Issuer or an Intermediary may be required to deduct a withholding tax of up to 30 per cent. on payments (including gross proceeds and redemptions) made on or after 1 January 2017 to a Recalcitrant Holder or a Noteholder that itself is an FFI and, unless exempted or otherwise deemed to be compliant, does not have in place an effective IRS Agreement (i.e., the Noteholder is a non-Participating FFI). Neither the Issuer nor an Intermediary will make any additional payments to compensate a Noteholder or beneficial owner for any amounts deducted pursuant to FATCA. It is also possible that the Issuer may be required to cause the disposition or transfer of Notes held by a Recalcitrant Holder or a non-Participating FFI and the proceeds from any such disposition or transfer may be an amount less than the then current fair market value of the Notes transferred.

In general, U.S. source obligations that are outstanding as of 30 June 2014 and non-U.S. source obligations that are outstanding on the later of 30 June 2014 and the date that is six months after the adoption of final U.S. Treasury regulations addressing withholding on "foreign passthru payments" and, in each case, that are not modified and treated as reissued, for U.S. federal income tax purposes, after the relevant date (such obligations, "**Grandfathered Obligations**") will not be subject to withholding. Obligations that are treated as equity for U.S. federal income tax purposes (e.g. the Subordinated Notes) and certain debt obligations lacking a definitive term (such as saving and demand

deposits), however, are not eligible for grandfathering. Because the Notes are expected to be treated as non-U.S. source obligations and final regulations addressing foreign passthru payments have not yet been issued, Notes (other than the Subordinated Notes and any other Class of Notes characterised as equity in the Issuer) should qualify for the grandfathering exemption.

If the Issuer (or any Intermediary) is treated as a non-Participating FFI, the Issuer may be subject to a 30 per cent. withholding tax on certain payments to it. Further, the Issuer's failure to comply with FATCA may preclude certain of its affiliates from themselves complying with FATCA. In addition, if an FFI affiliate of the Issuer is not FATCA compliant (i.e., it fails to comply with, and is not exempted from complying with, FATCA), the Issuer itself may be prohibited from complying with FATCA. For this purpose an FFI affiliate generally is an FFI that is deemed to be part of an affiliated group that includes the Issuer (where, in general, such affiliates and the Issuer are deemed related through more than 50 per cent. ownership). For example, if an FFI owns (for U.S. federal income tax purposes) more than 50 per cent. of the Issuer's equity and such FFI equity owner is not FATCA compliant, the Issuer may be prevented from complying with FATCA. Furthermore, if an entity is deemed (for US federal income tax purposes) to own more than 50 per cent. of the equity of both (i) the Issuer and (ii) another FFI, such other FFI may be treated as an FFI affiliate of the Issuer for this purpose and, thus, if such other FFI is not FATCA compliant, the Issuer may be prevented from complying with FATCA. The Issuer will require any person holding more than 50 per cent. of the Issuer's equity to represent that it and its FFI affiliates are FATCA compliant. In addition, the Issuer may force the sale of all or a portion of the equity (for US federal income tax purposes) held by such a person if such holder is an FFI affiliate of the Issuer that is preventing the Issuer from complying with FATCA. For these purposes, the Issuer shall have the right to sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA.

The United States has recently concluded several intergovernmental agreements ("**IGAs**") with other jurisdictions in respect of FATCA, and The Netherlands has indicated that it intends to enter into an IGA. If The Netherlands enters into an IGA with the United States, the Issuer may not be required to enter into an agreement with the IRS but may, instead, be required to comply with legislation enacted by The Netherlands that would be implemented to give effect to such IGA. In that event, the Issuer would be subject to modified FATCA requirements.

There can be no assurance that payments to the Issuer in respect of its assets, including on a Collateral Obligation, will not be subject to withholding under FATCA. If payments to the Issuer in respect of its assets, including the Collateral are subject to withholding, this will result in the occurrence of a Collateral Tax Event pursuant to which the Notes may be subject to early redemption in the manner described in Condition 7(b) (*Optional Redemption*). In addition, even if a beneficial owner of a payment complies with requests for identifying information, the ultimate payment to such beneficial owner could be subject to withholding if an Intermediary is subject to withholding for its failure to comply with FATCA. Accordingly, a holder should consult its own tax advisors as to the potential implication of the U.S. withholding taxes on the Notes before investing.

1.18 **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

On 10 April 2013 Luxembourg officially announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payment of interest (or similar income) as from this date.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual

resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

1.19 UK Taxation of the Issuer

The Issuer will be subject to UK corporation tax if and only if it is tax resident in the UK or carries on a trade in the UK through a permanent establishment. If the Issuer is tax resident in the UK, it will be subject to UK corporation tax on its worldwide profits, and if it is trading through a UK permanent establishment it will be subject to UK corporation tax on those profits deemed to be attributable to that permanent establishment.

As the Issuer is incorporated in The Netherlands, provided that the central management and control of the Issuer is carried out in The Netherlands, it should not be UK tax resident. The Managing Directors of the Issuer 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.

As set out above, in the event that the Issuer is trading, the Issuer would be subject to UK corporation tax if it had a UK permanent establishment. The Issuer will be regarded as having a permanent establishment in the UK if it has either a fixed place of business in the UK through which its business is wholly or partly carried on or if a dependent agent acting on behalf of the Issuer has and habitually exercises authority in the UK to do business on behalf of the Issuer.

Whilst the Issuer does not and does not intend to have a fixed place of business in the UK, the Collateral Sub-Manager will habitually exercise authority to do business on behalf of the Issuer in the UK in accordance with the terms of the Collateral Sub-Management Agreement and thus could constitute a UK permanent establishment of the Issuer in the event that the Issuer is trading.

Even in the event that the Issuer is deemed to be trading in the UK through the Collateral Sub-Manager, the profits generated in the UK by the Collateral Sub-Manager on behalf of the Issuer should be exempt from UK corporation tax, if, the Collateral Sub-Manager can rely on the UK's Investment Manager Exemption (the "**IME**"). Whether the conditions of the IME are satisfied by the Collateral Sub-Manager is a question of fact and there can therefore be no assurance that the conditions of the IME will be satisfied. In particular, under current law, the IME may not be available if the Collateral Sub-Manager (or certain connected entities of the Collateral Sub-Manager) holds more than 20 per cent of any Class of Notes or if the remuneration which the Collateral Sub-Manager receives in respect of the provision of its investment management services to the Issuer is less than customary for that class of business.

In the event that the IME is not available and the Issuer is regarded as carrying on a trade in the UK through the agency of the Collateral Sub-Manager, the Issuer will not be subject to UK corporation tax if the exemption in Article 5(6) of the UK-Netherlands Income Tax Treaty 2008 (the "**Treaty**") applies. Pursuant to Article 5(6) the Issuer shall not be deemed to have a permanent establishment in the UK merely because it carries on business in the UK through an agent of independent status, provided that such persons are acting in the ordinary course of their business.

If the Issuer were assessed to UK corporation tax, there would be less proceeds available to be distributed to the Noteholders in accordance with the Priorities of Payments. Any such shortfalls will be borne by the Notes in reverse order of priority.

2. RELATING TO THE NOTES

2.1 Limited Liquidity and Restrictions on Transfer

Although there is currently a limited market for notes representing collateralised debt obligations similar to the Notes (other than the Subordinated Notes), there is currently no market for the Notes

themselves. The Initial Purchaser or its Affiliates, as part of their activities as broker and dealer in fixed income securities may make a market for the Notes (other than the Subordinated Notes), but is not obliged to do so, and any such market making may be discontinued at any time without notice. Any indicative prices provided by the Initial Purchaser or its Affiliates shall be determined in the Initial Purchaser's sole discretion, taking into account prevailing market conditions and shall not be a representation by the Initial Purchaser of its Affiliates that any instrument can be purchased or sold at such prices (or at all). Notwithstanding the above, the Initial Purchaser or its Affiliates may suspend or terminate making a marking and providing indicative prices without notice, at any time and for any reason. 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. Where a market does exist, to the extent that an investor wants to sell the Notes , the price may, or may not, be at a discount from the outstanding principal amount. 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 the "*Plan of Distribution*" and "*Transfer Restrictions*" sections of this Offering Circular. Such restrictions on the transfer of the Notes may further limit their liquidity.

2.2 Optional Redemption and Market Volatility

The market value of the Collateral Obligations 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 high yield bonds), European and international political events, events in the home countries of the issuers of the Collateral Obligations 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)(i) (*Optional Redemption in Whole—Subordinated Noteholders*). 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(b) (*Enforcement*) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Priorities of Payments.

2.3 The Notes are Subject to Optional Redemption in Whole or in Part by Class

The Rated Notes may be redeemed in whole from Sale Proceeds and/or Refinancing Proceeds (A) on any Payment Date falling on or after the expiry of the Non-Call Period, at the written direction of the Subordinated Noteholders acting by way of Ordinary Resolution or (B) on any Payment Date following the occurrence of a Collateral Tax Event at the direction of the Subordinated Noteholders acting by Extraordinary Resolution.

In addition, the Rated Notes may be redeemed in part by Class from Refinancing Proceeds at the applicable Redemption Prices, from any Refinancing Proceeds on any Payment Date falling on or after expiry of the Non-Call Period if (A) the Collateral Manager proposes to the Subordinated Noteholders at least 30 days prior to the Redemption Date to redeem such Class of Rated Notes, subject to the Subordinated Noteholders (acting by Ordinary Resolution) approving such proposal or (B) the Subordinated Noteholders (acting by Ordinary Resolution) direct the Issuer to redeem such Class of Rated Notes. Any such redemption shall be of an entire Class or Classes of Notes subject to a number of conditions. See Condition 7(b) (*Optional Redemption*).

As described in Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*) Refinancing Proceeds may be used in connection with either a redemption in whole of the Rated Notes or a redemption in part of the Rated Notes by Class. In the case of a Refinancing upon a redemption of the Rated Notes in whole but not in part, such Refinancing will only be effective if among other things, Refinancing Proceeds and all Sale Proceeds from the sale of Collateral Obligations and Eligible Investments received in accordance with the procedures set forth in the Trust Deed, and all other available funds will be at least sufficient to pay any Refinancing Costs and all amounts due and payable in respect of all Classes of Notes (including without limitation Deferred Interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes) save for the Subordinated Notes and all amounts payable in priority thereto pursuant to the Priorities of Payments (subject to any election to receive less than 100 per cent. of Redemption Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments.

In the case of a Refinancing upon a redemption of the Rated Notes in part by Class, such Refinancing will only be effective if certain conditions are satisfied, including but not limited to: (i) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption and (ii) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Priority of Payments prior to paying any amount in respect of the Subordinated Notes will be at least sufficient to pay in full the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption plus all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing. See Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*).

The Trust Deed provides that the holders of the Subordinated Notes will not have any cause of action against any of the Issuer, the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, the Agents or the Trustee for any failure to obtain a Refinancing. If a Refinancing is obtained meeting the requirements of the Trust Deed, the Issuer and, at the direction of the Collateral Manager, the Trustee shall amend the Trust Deed to the extent necessary to reflect the terms of the Refinancing and no further consent for such amendments shall be required from the holders of the Notes (other than the consent of the holders of the Subordinated Notes, acting by way of an Ordinary Resolution). No assurance can be given that any such amendments to the Trust Deed or the terms of any Refinancing will not adversely affect the holders of any Class or Classes of Notes not subject to redemption (or, in the case of the Subordinated Notes, the holders of the Subordinated Notes who do not direct such redemption).

The Notes shall also be redeemed on any Payment Date in whole but not in part at the written direction of (x) the Controlling Class or (y) the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, following the occurrence of a Note Tax Event.

The Rated Notes may also be redeemed in whole but not in part by the Issuer at the direction of the Collateral Manager, at the applicable Redemption Prices, from Sale Proceeds on any Payment Date falling on or after expiry of the Non-Call Period if the Aggregate Principal Balance is less than 15 per cent. of the Target Par Amount.

The Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Payment Date on or after the redemption or repayment in full of the Rated Notes, at the written direction of either of (x) the Subordinated Noteholders (acting by Ordinary Resolution) or (y) the Collateral Manager (subject to the consent of the Subordinated Noteholders (acting by Ordinary Resolution)).

In the event of an early redemption, the holders of the Notes will be repaid prior to the Maturity Date. Where the Notes are to be redeemed by liquidation, there can be no assurance that the Sale Proceeds realised and other available funds would permit any distribution on the Subordinated Notes after all required payments are made to the holders of the Rated Notes. In addition, an Optional Redemption could require the Collateral Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realised value of the Collateral Obligations sold.

2.4 **The Notes are Subject to Special Redemption at the Option of the Collateral Manager**

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Collateral Manager in its sole discretion certifies to the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole 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 to be invested in additional or Substitute Collateral Obligations. On the Special Redemption Date, the Special Redemption Amount will be applied in accordance with the Priorities 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.

2.5 **Mandatory Redemption of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes**

Certain mandatory redemption arrangements set out in the Priorities of Payments may result in an elimination, deferral or reduction in the interest payments or principal repayments made to the Noteholders of the Rated Notes or the level of returns to the Subordinated Noteholders following a breach of the Coverage Tests.

2.6 **The Reinvestment Period may Terminate Early**

The Reinvestment Period may terminate early if, among other things, any of the following occur: (a) acceleration of the Notes following an Event of Default (provided that such Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of Default*)); or (b) the Collateral Manager notifies the Issuer that it is unable to invest in additional Collateral Obligations in accordance with the Collateral Management and Administration Agreement. Early termination of the Reinvestment Period could adversely affect returns to the Subordinated Noteholders and may also cause the holders of Rated Notes to receive principal payments earlier than anticipated.

2.7 **Additional Issuances of Notes May Prevent the Failure of Coverage Tests and an Event of Default**

Subject to certain conditions, the Issuer may, at any time on any Business Day, issue and sell additional Notes and use the net proceeds to acquire Collateral Obligations 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 Collateral Obligations. See Condition 17 *(Additional Issuances)*. The application of the proceeds of additional Notes as Interest Proceeds or toward the acquisition of additional Collateral Obligations could result in satisfaction of a Coverage Test that would otherwise be failing and could also prevent certain Events of Default from occurring and thus, potentially decrease the occurrence of principal prepayments of the highest ranking Class of Notes.

In addition, the Collateral Manager (acting on behalf of the Issuer) may, under the Priorities of Payments, elect to apply funds (including by deferring payment of certain of its fees) toward the acquisition of additional Collateral Obligations or certain other permitted uses which could result in satisfaction of a Coverage Test that would otherwise be failing and could also prevent certain Events of Default from occurring. Similarly, the Subordinated Noteholders may also in certain circumstances make further investments in the transaction which could be applied toward the acquisition of additional Collateral Obligations (as well as certain other permitted uses described in Condition 3(j)(vi) (*Supplemental Reserve Account*)) which could in turn result in satisfaction of a Coverage Test or prevent certain Events of Default from occurring.

2.8 **Limited Recourse Obligations**

The Notes are limited recourse obligations of the Issuer and are payable solely from amounts received in respect of the Collateral securing the Notes. Payments on the Notes both prior to and following enforcement of the security over the Collateral are subordinated to the prior payment of certain fees and expenses of, or payable by, the Issuer and to payment of principal and interest on prior ranking Classes of Notes. See Condition 4(c) (*Limited Recourse*). None of the Collateral Manager, the Collateral Sub-Manager, the Noteholders of any Class, the Initial Purchaser, the Trustee, the Collateral

Administrator, the Liquidity Facility Provider, the Custodian, any Agent, any Hedge Counterparty or any Affiliates of any of the foregoing or the Issuer's Affiliates or any other person or entity (other than the Issuer) will be obliged to make payments on the Notes of any Class. Consequently, Noteholders must rely solely on distributions on the Collateral Obligations and other Collateral securing the Notes for the payment of principal, discount, interest and premium, if any, thereon. There can be no assurance that the distributions on the Collateral Obligations and other Collateral securing the Notes will be sufficient to make payments on any Class of Notes after making payments on more senior Classes of Notes and certain other required amounts to other creditors ranking senior to or *pari passu* with such Class pursuant to the Priorities of Payments. If distributions on the Collateral are insufficient to make payments on the Notes, no other assets of the Issuer (including the Issuer Dutch Account and the Issuer's rights under the Issuer Management Agreement) (and, in particular, no assets of the Collateral Manager, the Collateral Sub-Manager, the Noteholders, the Initial Purchaser, the Trustee, the Collateral Administrator, the Liquidity Facility Provider, the Custodian, any Agent, any Hedge Counterparty or any Affiliates of any of the foregoing) will be available for payment of the deficiency and following realisation of the Collateral and the application of the proceeds thereof in accordance with the Priorities of Payments, the obligations of the Issuer to pay such deficiency shall be extinguished. Such shortfall will be borne (as amongst the Noteholders) by (a) firstly, the Subordinated Noteholders; (b) secondly, the Class E Noteholders; (c) thirdly, the Class D Noteholders; (d) fourthly, the Class C Noteholders; (e) fifthly, the Class B Noteholders ; (f) sixthly, the Class A-2 Noteholders and (g) lastly, the Class A-1 Noteholders, in each case in accordance with the Priorities of Payments.

In addition, at any time while the Notes are Outstanding, none of the Noteholders nor the Trustee nor any other Secured Party (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes, the Trust Deed or otherwise owed to the Noteholders, save for lodging a claim in the liquidation of the Issuer which is initiated by another party (which is not an Affiliate of such party) or taking proceedings to obtain a declaration as to the obligations of the Issuer nor shall any of them have a claim arising in respect of the share capital of the Issuer.

2.9 Subordination of the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and Subordinated Notes

Except as described below, the Class A-2 Notes are fully subordinated to the Class A-1 Notes, the Class B Notes are fully subordinated to the Class A Notes, the Class C Notes are fully subordinated to the Class A Notes and the Class B Notes, the Class D Notes are fully subordinated to the Class A Notes, the Class B Notes and the Class C Notes, the Class E Notes are fully subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and the Subordinated Notes are fully subordinated to the Rated Notes.

Other than under certain circumstances as set out in the Conditions, payments of interest on each Class of Notes will be subordinated to payments of interest on each Class of Notes (if any) ranking in priority thereto pursuant to Condition 3(c)(i) (*Application of Interest Proceeds*) and payments of principal on each Class of Notes will be subordinated to payments of principal on each Class of Notes (if any) ranking in priority thereto pursuant to the Note Payment Sequence. The subordination described above is in respect of the priority of payments of interest and the priority of payments of principal, does not entail subordination of both interest and principal in the sense that interest on a junior ranking Class of Notes can be paid in priority to principal on a senior ranking Class of Notes in accordance with the Conditions. Payments on the Subordinated Notes will be made by the Issuer to the extent of available funds and no payments thereon will be made until the payment of certain fees and expenses have been made and until interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes has been paid and, subject always to the right of the Collateral Manager on behalf of the Issuer to transfer amounts which would have been payable on the Subordinated Notes to the Supplemental Reserve Account to be applied in the acquisition of Substitute Collateral Obligations 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 Overcollateralisation Test is not met during the Reinvestment Period.

Non payment of any Interest Amount due and payable in respect of the Class A Notes on any Payment Date will constitute an Event of Default (where such non payment continues for a period of at least five

Business Days or seven Business Days in the case of an administrative error or omission). In such circumstances, the Controlling Class, which in these circumstances will be the Class A-1 Notes or, following redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes, acting by Extraordinary Resolution, may request the Trustee to accelerate the Notes pursuant to Condition 10 (*Events of Default*).

In the event of any redemption in full or acceleration of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes will also be subject to automatic redemption and/or acceleration and the Collateral will, in each case, be liquidated. Liquidation of the Collateral at such time or remedies pursued by the Trustee upon enforcement of the security over the Collateral could be adverse to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders or the Subordinated Noteholders, as the case may be. To the extent that any losses are incurred by the Issuer in respect of any Collateral, such losses will be borne first by the Subordinated Noteholders, then by the Class E Noteholders, then by the Class D Noteholders, then by the Class C Noteholders, then by the Class B Noteholders, then by the Class A-2 Noteholders and, finally, by the Class A-1 Noteholders. Remedies pursued on behalf of the Class A-1 Noteholders could be adverse to the interests of the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class A-2 Noteholders could be adverse to the interests of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class B Noteholders could be adverse to the interests of the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class C Noteholders could be adverse to the interests of the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class D Noteholders could be adverse to the interests of the Class E Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class E Noteholders could be adverse to the interests of the Subordinated Noteholders.

The Trust Deed provides that in the event of any conflict of interest among or between the Class A-1 Noteholder, the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders, the interests 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 A-1 Noteholders over the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders; (ii) the Class A-2 Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders; (iii) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders; (iv) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders; (v) the Class D Noteholders over the Class E Noteholders and the Subordinated Noteholders; and (vi) the Class E Noteholders over the Subordinated Noteholders. In the event that the Trustee shall receive conflicting or inconsistent requests from two or more groups of holders of the Controlling Class (or another Class is given priority as described in this paragraph), the Trustee shall give priority to the group which holds the greater 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 paragraph) in such circumstances, and shall not be obliged to consider the interests of the holders of any other Class of Notes. See Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*).

2.10 **Amount and Timing of Payments**

To the extent that interest payments on the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes are not made on a relevant Payment Date, such unpaid interest amounts will be deferred and the amount thereof added to the principal amount Outstanding of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as the case may be, and earn interest at the interest rate applicable to such Notes. Any failure to pay scheduled interest on the Class B Notes (so long as the Class A Notes are Outstanding) or to pay scheduled interest on the Class C Notes, (so long as the Class A Notes and the Class B Notes are Outstanding), or to pay scheduled interest on the Class D Notes, (so long as the Class C Notes are Outstanding), or to pay scheduled interest on the Class E Notes, (so long as the Class D Notes are Outstanding), or to pay interest and principal on the Subordinated Notes at any

time, due to there being insufficient funds available to pay such interest in accordance with the applicable Priority of Payments, will not be an 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 Payments. 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 Collateral Obligations 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 Collateral Obligations will depend upon the detailed terms of the documentation relating to each of the Collateral Obligations and on whether or not any Obligor thereunder defaults in its obligations.

2.11 Reports Provided by the Collateral Administrator Will Not Be Audited

The reports made available to Noteholders will be compiled by the Collateral Administrator, on behalf of the Issuer, in consultation with and based on certain information provided to it by the Collateral Manager. Information in the reports will not be audited nor will reports include a review or opinion by a public accounting firm.

2.12 Future Ratings of the Rated Notes Not Assured and Limited in Scope

A security 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. In the event that 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.

Prospective investors in the Notes should be aware that as a result of the recent economic events, Rating Agencies have undertaken extensive reviews of their rating methodology and criteria used to rate notes issued as part of CLO transactions. This could impact on the ratings assigned to the Notes after the Issue Date and potentially result in the downgrade or withdrawal thereof following the Issue Date.

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 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 forth for such Rated Note in this Offering Circular and the Transaction Documents. The rating assigned to any Rated Note may also be lowered following the occurrence of an event or circumstance despite the fact that the related Rating Agency previously provided confirmation that such occurrence would not result in the rating of such Rated Note being lowered. 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 Note is subsequently lowered or withdrawn for any reason, holders of the Notes 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 Collateral.

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 Collateral 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 either Rating Agency has not yet confirmed its initial ratings of the applicable Rated Notes or, in the case of Moody's, it has not been deemed to have provided such confirmation, the applicable Rated Notes will be subject to redemption in part in an amount and in the manner described under Condition 7(e) (*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 product (such as this transaction) 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 an 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.

2.13 Average Life and Prepayment Considerations

The Maturity Date of the Notes is the Payment Date falling in October 2026 (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 applicable 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 Collateral Obligations (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 issuers of the underlying Collateral Obligations and the characteristics of such loans, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, 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 Collateral Obligations. Collateral Obligations may be subject to optional prepayment by the Obligor of such loans. Any disposition of a Collateral Obligation may change the composition and characteristics of the Collateral Obligations 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.

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 Collateral Obligations; differences in the actual allocation of Collateral Obligations among asset categories from those assumed; mismatches between the time of accrual and receipt of Interest Proceeds from the Collateral Obligations. None of the Issuer, the Collateral Manager, the Collateral Sub-Manager, the Trustee, the Initial Purchaser, the Collateral Administrator, the Agents, the Liquidity Facility Provider 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.

2.14 Volatility of the Subordinated Notes

The Subordinated Notes represent a leveraged investment in the underlying Collateral Obligations. Accordingly, it is expected that changes in the market value of the Subordinated Notes will be greater than changes in the market value of the underlying Collateral Obligations, which themselves are subject to credit, liquidity, interest rate and other risks. Utilisation of leverage is a speculative investment technique and involves certain risks to investors and will generally magnify the Subordinated Noteholders' opportunities for gain and risk of loss. In certain scenarios, the Notes may not be paid in full, and the Subordinated Notes and one or more Classes of Rated Notes may be subject to a partial or a 100 per cent. loss of invested capital. The Subordinated Notes represent the most junior securities in a leveraged capital structure. As a result, any deterioration in performance of the asset portfolio, including defaults and losses, a reduction of realised yield or other factors, will be borne first by holders of the Subordinated Notes, and then by the holders of the Rated Notes in reverse order of seniority.

In addition, the failure to meet certain Coverage Tests will result in cash flow that may have been otherwise available for distribution to the Subordinated Notes, to pay interest on one or more subordinate Classes of Rated Notes or for reinvestment in Collateral Obligations being applied on the next Payment Date to make principal payments on the more senior classes of Rated Notes until such Coverage Tests have been satisfied. This feature will likely reduce the return on the Subordinated Notes and/or one or more subordinate Classes of Rated Notes and cause temporary or permanent suspension of distributions to the Subordinated Notes and/or one or more subordinate Classes of Rated Notes.

Issuer expenses (including management fees) are generally based on a percentage of the total asset portfolio of the Issuer, including the assets obtained through the use of leverage. Given the leveraged

capital structure of the Issuer, expenses attributable to any particular Class of Notes will be higher because such expenses will be based on total assets of the Issuer.

2.15 Net Proceeds less than Aggregate Amount of the Notes

It is anticipated that the net proceeds received by the Issuer on the Issue Date from the issuance of the Notes will be less than the aggregate Principal Amount Outstanding of the Notes. Consequently, it is anticipated that on the Issue Date the Collateral would be insufficient to redeem the Notes upon the occurrence of an Event of Default on or about that date.

2.16 Withholding Tax on the Notes

Although no withholding tax would currently be imposed on payments of interest on the Notes, there can be no assurance that the law will not change, and in the future, payments of interest may be subject to withholding tax or increased withholding rates. In addition, the Issuer has the right to withhold up to 30 per cent. on all payments made to any beneficial owner of an interest in any of the Notes that fails to comply with its requests for identifying information to enable the Issuer to comply with FATCA or to certain FFIs that fail to enter into a FATCA agreement with the IRS. See further 1.17 (*FATCA*) above.

In the event that any withholding or deduction for or on account of tax is imposed on payments on the Notes, the holders of the Notes will not be entitled to receive grossed-up amounts to compensate for such withholding or deduction. Further, no Event of Default shall occur as a result of any such 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 subject to any withholding tax or deduction for or on account of tax, the Notes may be redeemed in whole but not in part at the direction of the holders of the Controlling Class or the Subordinated Notes, in each case acting by way of Extraordinary 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 Payments.

2.17 Security

Clearing Systems: Collateral Obligations or other 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. The Custodian (or its sub-custodian on its behalf) will hold such assets which can be cleared through Euroclear in an account with Euroclear (the "**Euroclear Account**") unless the Trustee otherwise consents and will hold the other securities comprising the Portfolio which cannot be so cleared through its accounts with Clearstream, Luxembourg and The Depository Trust Company ("**DTC**"), as appropriate. 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 Collateral Obligations 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 Collateral Obligations held in the accounts of the Custodian on trust for the Issuer and (ii) the Issuer's ancillary contractual rights against the Custodian in accordance with the terms of the Agency and Account Bank Agreement (as defined in the Conditions) 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.

On the Issue Date the Issuer will grant a pledge pursuant to Belgian law over the Euroclear Account (the "**Euroclear Security Agreement**"). The effect of this security interest will be to enable the Custodian, on enforcement, to sell the securities in the Euroclear Account on behalf of the Trustee. The Euroclear Security Agreement will not entitle the Trustee to require delivery of the relevant securities from the depositary or depositaries that have physical custody of such securities or allow the Trustee to dispose of such securities directly.

In addition, custody and clearance risks may be associated with Collateral Obligations or other 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 Collateral Obligations.

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 Trustee, the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, the Liquidity Facility Provider, the Custodian, the Agents, the Hedge Counterparties 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 Collateral Obligations or Eligible Investments contemplated by the Collateral Management and Administration 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.

2.18 **Resolutions, Amendments and Waivers**

The Conditions 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, Extraordinary Resolution or Unanimous 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, Extraordinary Resolution or Unanimous 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, Extraordinary Resolution or Unanimous Resolution may be determined by reference only to the holders of that Class or Classes of Notes.

In the event that 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 voted in respect of such Resolution and not the aggregate Principal Amount Outstanding of all such Notes held or represented by any person or persons entitled to vote at such meeting. 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. 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 a Resolution. In the case of a Unanimous Resolution, this is one or more persons holding or representing 100 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable), 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 10 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, in the event that a quorum requirement is not satisfied at any meeting, lower quorum thresholds 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.

Certain decisions, including the removal of the Collateral Manager, instructing the Trustee to accelerate the Notes and instructing the Trustee to sell the Collateral following the acceleration of the Notes

require authorisation solely by the Noteholders of a Class or Classes (acting by Extraordinary Resolution).

Certain amendments and modifications may be made without the consent of Noteholders. See Condition 14(c) (*Modification and Waiver*). Such amendment or modification could be adverse to certain Noteholders. Without limitation to the foregoing, potential investors should note that the Issuer may amend the Transaction Documents to modify or amend the components of the Portfolio Profile Tests, the Eligibility Criteria, the Reinvestment Criteria or the Collateral Quality Tests and the related definitions, provided that Rating Agency Confirmation has been obtained and (to the extent provided in Condition 14(c) (*Modification and Waiver*)) the Controlling Class has consented by way of an Ordinary Resolution.

Certain entrenched rights relating to the Terms and Conditions of the Notes cannot be amended or waived by Ordinary Resolution but require an Extraordinary Resolution or in some cases a Unanimous Resolution. 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 a Transaction Document. Any such consent, if withheld in accordance with the terms of the applicable Hedge Agreement, may prevent the Transaction Documents from being modified in a manner which may be beneficial to Noteholders.

In addition to the Trustee's right to agree to changes to the Transaction Documents to correct a manifest error, or to changes which, in its opinion, are not materially prejudicial to the interests of the Noteholders of any Class without the consent of the Noteholders, modifications may also be made and waivers granted (i) in respect of certain other matters to which the Trustee is obliged to consent and (ii) without the consent of the Noteholders as set out in Condition 14(c) (*Modification and Waiver*).

2.19 Enforcement Rights Following an Event of Default

If an Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by way of Extraordinary Resolution (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer, the Hedge Counterparties and the Collateral Manager that all the Notes are immediately due and repayable, provided that upon the occurrence of an Event of Default described in paragraph (vi) *(Insolvency Proceedings*) of the definition thereof shall occur, such notice shall be deemed to have been given and all the Notes shall automatically become immediately due and payable.

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 Extraordinary Resolution (subject to being indemnified and/or secured and/or prefunded to its satisfaction), take Enforcement Action (as defined in the Conditions) in respect of the security over the Collateral provided that no such Enforcement Action may be taken by the Trustee unless: (A) it 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 other than the Subordinated Notes (including, without limitation, Deferred Interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes) and all amounts payable in priority thereto pursuant to the Post-Acceleration Priority of Payments; (B) otherwise, in the case of an Event of Default specified in sub-paragraphs (i), (ii), (iv) or (vi) of Condition 10(a) (*Events of Default*) the Controlling Class acting by way of Extraordinary Resolution (and no other Class of Notes) may direct the Trustee to take Enforcement Action without regard to any other Event of Default which has occurred prior to, contemporaneously or subsequent to such Event of Default; or (C) in the case of any other Event of Default, each Class of Rated Notes acting independently by way of Extraordinary Resolution may direct the Trustee to take Enforcement Action.

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

2.20 Certain ERISA Considerations

Under the Plan Asset Regulation issued by the U.S. Department of Labor, 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 that regulation (which could include the Class D Notes, Class E Notes and Subordinated Notes), the assets of the Issuer could be considered to be assets of such Plans and certain of the transactions contemplated by the Issuer could be considered "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code. See the section entitled "*Certain ERISA Considerations*" below.

2.21 Forced Transfer

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule l44A 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 at any time 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 (any such person, a "**Non-Permitted Holder**") or a Noteholder is a Non-Permitted ERISA Noteholder or a Non-Permitted FATCA Noteholder, the Issuer shall, promptly after determination that such person is a Non-Permitted Holder, Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder by the Issuer or the Transfer Agent (and notice by the Transfer Agent to the Issuer, if the Transfer Agent makes the determination), send notice to such Non-Permitted Holder, Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder (as applicable) demanding that such Holder transfer its interest to a person that is not a Non-Permitted Holder or Non-Permitted ERISA Noteholder (as applicable) within 30 days (or 10 days in the case of a Non-Permitted ERISA Noteholder) of the date of such notice. If such Holder fails to effect the transfer required within such 30-day period (or 10-day period in the case of a Non-Permitted ERISA Noteholder), (a) the Issuer or the Collateral Manager on its behalf shall cause such beneficial interest to be transferred in a sale on such terms as the Issuer may choose, to a person or entity selected by the Issuer, subject to the transfer restrictions set out herein.

Each Noteholder and each other person in the chain of title from the permitted Noteholder to the Non-Permitted Holder by its acceptance of an interest in the Rule 144A Notes agrees to co-operate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and none of the Issuer, the Trustee, the Transfer Agent and the Registrar shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

The Issuer reserves the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP or a non-U.S. Person. 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 a certification is requested is not a QIB/QP or a non-U.S. Person. Furthermore, the Issuer reserves the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note to any Person who is not either a non-U.S. Person or a U.S. Person that is a QIB/QP.

In addition under FATCA, the Issuer may be required to, among other things, provide certain information about the Noteholders to a taxing authority (see further 1.17 (*FATCA*) above). The Issuer

expects to require each Noteholder to provide certifications and identifying information about itself and certain of its owners. The Issuer may force the sale of a Noteholder's Notes in order to comply with FATCA, including Notes held by a Noteholder that fails to provide the required information or if the Issuer otherwise reasonably determines that a Noteholder's acquisition or holding of an interest in such a Note would cause the Issuer to be unable to comply with FATCA (and such sale could be for less than its then fair market value). For these purposes, the Issuer shall have the right to sell a Noteholder's interest in its Notes in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA. If the Issuer is required to sell the Notes, the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly transact in securities and selling such Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other person in the chain of title from the Noteholder to the beneficial owner by its acceptance of an interest in the Notes agrees to co-operate with the Issuer and the Transfer Agent to effect such transfers. The terms and conditions of any such transfer shall be determined in the sole discretion of the Issuer subject to the transfer restrictions set out in this Offering Circular and the Trust Deed, and neither the Issuer nor the Transfer Agent shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

2.22 U.S. Tax Characterisation of the Notes

The Issuer has agreed and, by its acceptance of a Rated Note, each holder thereof will be deemed to have agreed, to treat the Rated Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law and for certain limited purposes (as described in "*Tax Considerations*"). Upon the issuance of the Notes, Ashurst LLP will deliver an opinion generally to the effect that, assuming compliance with the Transaction Documents, and based on certain factual representations made by the Issuer and/or the Collateral Manager, the Class A Notes, the Class B Notes and the Class C Notes will, and the Class D Notes should be characterised as debt of the Issuer for U.S. federal income tax purposes. No opinion will be given in respect of the Class E Notes, although the Issuer intends to treat the Class E Notes as debt of the Issuer for U.S. federal income tax purposes. The determination of whether a Note will be treated as debt for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Note is issued. The tax opinion of Ashurst LLP will be based on current law and certain representations and assumptions. Prospective investors should be aware that the Issuer's intended characterisations of the Rated Notes are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterise as something other than indebtedness any particular Class or Classes of the Rated Notes.

The Issuer has agreed and, by its acceptance of a Subordinated Note, each holder will be deemed to have agreed, to treat such Subordinated Note as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. Prospective investors should be aware that Issuer's intended characterisation of the Subordinated Notes is not binding on the IRS, and there can be no assurance that the IRS will not seek to characterise as something other than equity any Subordinated Notes.

3. RELATING TO THE COLLATERAL

3.1 The Portfolio

The decision by any prospective holder of Notes to invest in such Notes should be based, among other things (including, without limitation, the identity of the Collateral Manager), on the Eligibility Criteria (and the Reinvestment Criteria, when applicable) which each Collateral Obligation is required to satisfy, as disclosed in this Offering Circular, and on the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests and Target Par Amount that the Portfolio is required to satisfy as at the Effective Date (other than in respect of the Interest Coverage Tests, which are required to be satisfied as at the Determination Date preceding the Payment Date occurring on 20 January 2015) and in each case (save as described herein) thereafter. This Offering Circular does not contain any information regarding the individual Collateral Obligations on which the Notes will be secured from time to time. Purchasers of any of the Notes will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Issuer and, accordingly, will be dependent upon the judgment and ability of the Collateral Manager in acquiring investments for purchase on behalf of the Issuer over time. No assurance can be given that the Issuer will be successful

in obtaining suitable investments or that, if such investments are made, the objectives of the Issuer will be achieved.

Neither the Issuer nor the Initial Purchaser has made any investigation into the Obligors of the Collateral Obligations. 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 Custodian, the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, the Agents, the Liquidity Facility Provider, any Hedge Counterparty or any of their Affiliates are under any obligation to maintain the value of the Collateral Obligations at any particular level. None of the Issuer, the Trustee, the Custodian, the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, the Agents, the Liquidity Facility Provider, any Hedge Counterparty, the Initial Purchaser 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 Collateral Obligations from time to time.

3.2 Nature of Collateral; Defaults

The Issuer will invest in a portfolio of Collateral Obligations consisting at the time of acquisition of predominantly Secured Senior Obligations, Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations, 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 bonds or 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 "*The Portfolio*".

Due to the fact that the Subordinated Notes represent a leveraged investment in the underlying Collateral Obligations, it is anticipated that changes in the market value of the Subordinated Notes will be greater than changes in the market value of the underlying Collateral Obligations.

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 Collateral Obligations. 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 Collateral Obligation securing the Notes and the Issuer sells or otherwise disposes of such Collateral Obligation, 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 Collateral Obligations 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. During periods of limited liquidity and higher price volatility, the ability of the Collateral Manager (on behalf of the Issuer) to acquire or dispose of Collateral Obligations at a price and time that the Collateral Manager deems advantageous may be 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 either unable to dispose of Collateral Obligations whose prices have risen or to acquire Collateral Obligations whose prices are on the increase; the Collateral Manager's inability to dispose fully and promptly of positions in declining markets will conversely cause the value of the Portfolio to decline as the value of unsold positions is marked to lower prices. A decrease in the value of the Collateral Obligations would also adversely affect the proceeds of sale that could be obtained upon the sale of the Collateral Obligations 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 Collateral Obligations 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 Payments. Moreover, there can be no assurance as to the amount or timing of any recoveries received in respect of Defaulted Obligations.

3.3 Acquisition of Collateral Obligations Prior to the Issue Date

The Issuer will enter into a forward purchase agreement prior to the Issue Date (the "**Forward Purchase Agreement**") with Deutsche Bank AG, London Branch (the "**Seller**"), whereby the Issuer shall agree to purchase debt obligations and/or debt securities selected by the Collateral Sub-Manager on or prior to the Issue Date.

The Issuer will agree to purchase the Collateral Obligations on the Issue Date at (i) in the case of Collateral Obligations acquired by the Seller prior to the pricing date, the mid price and (ii) in the case of Collateral Obligations acquired by the Seller on and after the pricing date, the price at which each such Collateral Obligation was initially acquired by the Seller. Therefore the price at which the Issuer has agreed to purchase each such Collateral Obligation may be higher or lower than the current market value of the Collateral Obligations at the time of purchase by the Issuer pursuant to the Forward Purchase Agreement on the Issue Date.

In addition, any interest or other amounts paid or accrued on such Collateral Obligations during the period prior to the Issue Date will be for the account of the Seller under the Forward Purchase Agreement. Investors in the Notes will be assuming the risk of market value and credit quality changes in the Collateral Obligations from the date such Collateral Obligations are acquired during the period prior to the Issue Date but will not receive the benefit of interest earned on the Collateral Obligations during such period.

3.4 Acquisitions of Collateral Obligations and purchase price for such acquisitions

Although the Collateral Manager is required to determine in accordance with the Collateral Management and Administration Agreement that such obligations satisfy the Eligibility Criteria at the time of entering into a binding commitment to purchase them, it is possible that the obligations may no longer satisfy such Eligibility Criteria on the later settlement of the acquisition thereof due to intervening events. The requirement that the Collateral Manager determines in accordance with the Collateral Management and Administration Agreement that the Eligibility Criteria are satisfied applies only at the time that any commitment to purchase a Collateral Obligation is entered into and as at the Issue Date. Any failure by such obligation to satisfy the Eligibility Criteria at a later stage will not result in any requirement to sell it or take any other action.

For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the Collateral Obligations in which the Issuer invests may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such risk.

3.5 Considerations Relating to the Initial Investment Period

During the Initial Investment Period, the Collateral Manager on behalf of the Issuer, will seek to acquire additional Collateral Obligations in order to satisfy each of the Coverage Tests, Collateral Quality Tests, Portfolio Profile Tests and Target Par Amount requirement as at the Effective Date. See "*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 Collateral 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. To the extent such additional Collateral Obligations 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 Collateral Manager (on behalf of the Issuer) to acquire such additional Collateral Obligations 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 and therefore reduce 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 Rated Notes.

3.6 Characteristics and Risks Relating to the Portfolio

The Collateral on which the Notes and the claims of the other Secured Parties are secured will be subject to credit, liquidity, interest rate and exchange rate risks. The Portfolio of Collateral Obligations which will secure the Notes will be predominantly comprised of Secured Senior Obligations, Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds lent to or issued by a variety of Obligors with a principal place of business in a Non-Emerging Market Country and which are primarily rated below investment grade.

An 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 Collateral Obligations 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 Collateral Obligations will depend upon the detailed terms of the documentation relating to each of the Collateral Obligations and on whether or not any Obligor thereunder defaults in its obligations.

The subordination levels of each of the Classes of Notes will be established to withstand certain assumed deficiencies in payment caused by defaults on the related Collateral Obligations. If, however, actual payment deficiencies exceed such assumed levels, payments on the Notes could be adversely affected. Whether and by how much defaults on the Collateral Obligations adversely affect each Class of Notes will be directly related to the level of subordination thereof pursuant to the Priorities of Payments. The risk that payments on the Notes could be adversely affected by defaults on the related Collateral Obligations is likely to be increased to the extent that the Portfolio of Collateral Obligations is concentrated in any one issuer, industry, region or country as a result of the increased potential for correlated defaults in respect of a single issuer or within a single industry, region or country as a result of downturns relating generally to such industry, region or country. Subject to any confidentiality obligations binding on the Issuer, Noteholders will receive information through the Reports from time to time of the identity of Collateral Obligations which are "Defaulted Obligations".

To the extent that a default occurs with respect to any Collateral Obligation and the Issuer sells or otherwise disposes of such Collateral Obligation, the proceeds of such sale or disposition are likely to be less than the unpaid principal and interest thereon. Even in the absence of a default with respect to any of the Collateral Obligations, the potential volatility and illiquidity of the sub-investment grade high yield and leveraged loan markets means that the market value of such Collateral Obligations at any time will vary, and may vary substantially, from the price at which such Collateral Obligations were initially purchased and from the principal amount of such Collateral Obligations. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of such Collateral Obligations 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 Payments.

Characteristics of Senior Obligations and Mezzanine Obligations

The Portfolio Profile Tests provide that as of the Effective Date, at least 90.0 per cent. of the Collateral Principal Amount must consist of Secured Senior Obligations (which shall comprise for this purpose the aggregate of the Aggregate Principal Balance of the Secured Senior Obligations 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 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. Secured Senior Obligations and Unsecured Senior Loans are typically at the most senior level of the capital structure with Second Lien Loans being subordinated thereto and Mezzanine Obligations being subordinated to any Senior Obligations or to any other senior debt of the Obligor. Secured Senior Obligations 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. Senior Obligations are typically in the form of loans, but may also in certain cases be in the form of a security, which may present different risks and concerns. Mezzanine Obligations may have the benefit of a second priority charge over such assets. Unsecured Senior Loans do not have the benefit of such security. Secured 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.

Secured Senior Notes typically bear interest at a fixed rate. Risks associated with fixed rate obligations are discussed at "*Risk Factors – Relating to the Collateral - Interest Rate Risk*" below. Additionally, such Senior Obligations typically contain bondholder collective action clauses permitting specified majorities of bondholders to approve matters which, in a typical Secured Senior Loan, would require unanimous lender consent. The Obligor under a Secured Senior Note 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 Collateral Management and Administration Agreement from voting on certain matters, particularly extensions of maturity, which may be considered at a bondholder meeting. Consequently, material terms of a Secured Senior Note 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.

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 Obligations or Mezzanine 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 and Mezzanine Obligations

In order to induce banks and institutional investors to invest in a Senior Obligation 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 including such Senior Obligation or Mezzanine Obligation, and the private syndication of the loan, Senior Obligations 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 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 collateral 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 in the event that 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.

Secured Senior Notes are generally freely transferrable 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 Secured Senior 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 a Secured Senior Loan.

Increased Risks for Mezzanine Obligations

The fact that Mezzanine Obligations are generally subordinated to any Senior Obligation 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.

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. Secured Senior Notes 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 Collateral Obligations with comparable interest rates that satisfy 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 Collateral Obligations with comparable interest rates that satisfy the Reinvestment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

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, Mezzanine Obligations and Second Lien Loans and no assurance

can be given as to the levels of default and/or recoveries that may apply to any Senior Obligations, Mezzanine Obligations and Second Lien Loans purchased by the Issuer. As referred to above, although any particular Senior Obligation, Mezzanine Obligation or Second Lien Loan often will share many similar features with other loans and obligations of its type, the actual terms of any particular Senior Obligation, Mezzanine Obligation or Second Lien Loan 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, Mezzanine Obligations and Second Lien Loans 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 and Mezzanine Obligations are more diverse than ever before, including not only banks and specialist finance providers but also alternative collateral 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 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 Collateral Obligation 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. 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.

In some European jurisdictions, obligors or lenders may seek a "scheme of arrangement". In such instance, a lender may be forced by a court to accept restructuring terms. Recoveries on Senior Obligations and Mezzanine Obligations will also be affected by the different bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the Obligors thereunder. See 3.17 *(Insolvency Considerations relating to Collateral Obligations)* below.

Investing in Cov-Lite Loans involves certain risks

The Issuer or the Collateral Manager acting on its behalf may purchase Collateral Obligations 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 to trigger a default in respect of such obligations.

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 3.17 (*Insolvency Considerations relating to Collateral Obligations)* 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 Collateral 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 Collateral Obligations may include Second Lien Loans, each of which will be secured by a pledge of 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 Collateral Obligation if a default or foreclosure on that Collateral Obligation occurs.

Liens on the collateral (if any) securing a Collateral Obligation 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 Collateral Obligation, 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 Collateral Obligation.

3.7 **Participations, Novations and Assignments**

The Collateral Manager, acting on behalf of the Issuer may acquire interests in Collateral Obligations 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. 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.

Additional risks are therefore associated with the purchase of Participations by the Issuer as opposed to Assignments. The Portfolio Profile Tests impose limits on the amount of Collateral Obligations that may comprise Participations as a proportion of the Collateral Principal Amount.

3.8 **Corporate Rescue Loans**

"Defaulted Obligation" is defined to mean amongst other things a Collateral Obligation in respect of which any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Issuer of such Collateral Obligation (other than a Corporate Rescue Loan). A Corporate Rescue Loan may be secured, and have a priority permitted by section 364(c) or section 364(d) under the United States Bankruptcy Code or may constitute the most senior secured obligations of the Obligor thereof and either (x) rank *pari passu* with the other senior secured obligations of the Obligor, or (y) achieve priority over other senior secured obligations of the Obligor other than through grant of security, for example, through the operation of insolvency law, and in each case, 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). Such 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 Collateral Manager (acting on behalf of the Issuer) will correctly evaluate the value of the assets that may secure 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.

3.9 **Bridge Loans**

The Portfolio Profile Tests provide that not more than 3.0 per cent. of the Collateral Principal Amount may be comprised of Bridge Loans. Bridge Loans are generally a temporary financing instrument and as such the interest rate may increase after a short period of time in order to encourage an Obligor to refinance the Bridge Loan with more long-term financing. If an Obligor is unable to refinance a Bridge Loan, the interest rate may be subject to an increase and as such Bridge Loans may have greater credit and liquidity risk than other types of loans.

3.10 **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 Supplemental Reserve 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 Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payments rather than being paid to the Subordinated Noteholders. The aggregate amount which may be credited to the Supplemental Reserve Account in accordance with the Priorities of Payments are

subject to the following caps: (i) €2,000,000 in the aggregate for any Payment Date or (ii) an aggregate amount for all applicable Payment Dates of €4,000,000, provided that the amounts specified in paragraphs (i) and (ii) may be increased, in each case with the approval of the Subordinated Noteholders, acting by Ordinary Resolution.

The Collateral 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 the Balance standing to the credit of the Supplemental Reserve Account may also or alternatively be used to fund the purchase of additional Collateral Obligations or Substitute Collateral Obligations. There can therefore be no assurance that the Balance standing to the credit of the Supplemental Reserve 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 Collateral 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 Supplemental Reserve 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, Portfolio Profile Tests or Collateral Quality Tests.

3.11 **Counterparty Risk**

Participations, Hedge Transactions and the Liquidity Facility Agreement 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. Each such counterparty is required to satisfy the applicable Rating Requirement, upon entry into the applicable contract or instrument.

In the event that a Hedge Counterparty 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 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 such strategy as may be approved by the Rating Agencies.

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. In the event that 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 on substantially the same terms as the Agency and Account Bank Agreement within 30 days of such withdrawal or downgrade.

3.12 **Concentration Risk**

The Issuer will invest in a Portfolio of Collateral Obligations consisting, of Senior Obligations, Mezzanine Obligations, Second Lien Loans and High Yield Bonds. 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 "*The Portfolio — Portfolio Profile Tests and Collateral Quality Tests*".

3.13 **Credit Risk**

Risks applicable to Collateral Obligations 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 Collateral Obligations 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.

3.14 Interest Rate Risk

It is possible that Collateral Obligations (in particular High Yield Bonds) may bear interest at fixed rates and there is no requirement that the amount or portion of Collateral Obligations securing the Notes must bear interest on a particular basis, save for the Portfolio Profile Test which requires that not more than 10 per cent. of the Collateral Principal Amount may comprise Fixed Rate Collateral Obligations.

In addition, any payments of principal or interest received in respect of Collateral Obligations and not otherwise reinvested during the Reinvestment Period in Substitute Collateral Obligations 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 of these factors, 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 Collateral Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Obligations 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 Collateral Management and Administration Agreement, the Collateral Manager, acting on behalf of the Issuer, is authorised to enter into the Hedge Transactions in order to mitigate such interest rate mismatch from time to time, subject to receipt in each case of Rating Agency Confirmation in respect thereof, subject to certain regulatory considerations in relation to swaps, discussed in 1.10 (*EMIR*) and 1.13 (*Commodity Pool Regulation*) above and satisfaction of the Hedging Condition. However, the Issuer will depend on each Hedge Counterparty to perform its obligations under any Hedge Transaction to which it is a party and if any 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.

In addition, some Collateral Obligations permit the Obligor to re-set the interest period applicable to it from quarterly to semi-annual and vice versa. Interest Amounts are due and payable in respect of the Notes on a quarterly basis at any time prior to the commencement of a Frequency Switch Period, and thereafter, on a semi-annual basis. If a significant number of Collateral Obligations re-set to semi-annual interest payments there may be insufficient interest received to make quarterly interest payments on the Notes. The Issuer shall enter in to a liquidity facility agreement with Deutsche Bank AG, London Branch (the "**Liquidity Facility Provider**") whereby the Issuer shall under certain circumstances be able to draw down on a liquidity facility to fund payments of interest on each Class of Rated Notes (provided each applicable Coverage Test senior to the payment of Interest Amounts in respect of such Class is satisfied on the relevant Determination Date) in an amount not exceeding the lesser of: (i) the amount of commitment available on such date to draw in accordance with the Liquidity Facility Agreement and (ii) the aggregate of all accrued unpaid interest under the Collateral Obligations (excluding Purchased Accrued Interest, interest on any Defaulted Obligations and unpaid interest under Mezzanine Obligations deferred in accordance with the terms of such Mezzanine Obligations) which is not payable to the Issuer on or prior to the Determination Date in respect of the relevant Payment Date by the Obligors under the relevant Collateral Obligations. See "*Description of the Liquidity Facility Agreement*". There can be no assurance that any amounts which are able to be drawn in accordance with the Liquidity Facility Agreement shall be sufficient to mitigate any timing mismatch.

There can be no assurance that the Collateral Obligations 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.

3.15 Currency Risk

Subject to the satisfaction of the Hedging Condition, the Collateral Manager, on behalf of the Issuer, may purchase Non-Euro Obligations, provided that such Non-Euro Obligations otherwise satisfy the

Eligibility Criteria. Although the Issuer shall, subject to the satisfaction of the Hedging Condition, enter into Currency Hedge Transactions to hedge any currency exposure relating to such Non-Euro Obligations, fluctuations in exchange rates may lead to the proceeds of the Collateral Obligations being insufficient to pay all amounts due to the respective Classes of Noteholders.

Notwithstanding that Non-Euro Obligations are required to have an associated Currency Hedge Transaction which will include currency protection provisions, losses may be incurred due to fluctuations in the Euro exchange rates and in the event of a default by the relevant Currency Hedge Counterparty under any such Currency Hedge Transaction. In addition, fluctuations in Euro exchange rates may result in a decrease in value of the Portfolio for the purposes of sale thereof upon enforcement of the security over it.

In addition, it may be necessary for the Issuer to make substantial up-front payments in order to enter into currency hedging arrangements on the terms required by the Collateral Management and Administration Agreement, and the Issuer's ongoing payment obligations under such Currency Hedge Transactions (including any 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 increase the risk of a mismatch between the Non-Euro Obligations and the Notes. This may cause losses. In addition, the Collateral Manager may be limited at the time of reinvestment in the choice of Non-Euro Obligations that it is able to purchase on behalf of the Issuer because of the cost of such hedging and due to restrictions in the Collateral Management and Administration Agreement with respect to such hedging. In addition, it may not be economically advantageous or feasible for the Issuer to exercise its hedging arrangements and such hedging arrangements may not be sufficient to protect the Issuer from fluctuations in Euro exchange rates

The Issuer will depend on each Hedge Counterparty to perform its obligations under any Currency Hedge Transaction to which it is a party and if any 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 currency risk exposure.

3.16 **Reinvestment Risk/Uninvested Cash Balances**

To the extent the Issuer (or the Collateral Manager on its behalf) 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 Collateral Manager will have discretion to dispose of certain Collateral Obligations on behalf of the Issuer and to reinvest the proceeds thereof in Substitute Collateral Obligations in compliance with the Reinvestment Criteria. In addition, during the Reinvestment Period, to the extent that any Collateral Obligations prepay or mature prior to the Maturity Date, the Collateral Manager will seek to invest the proceeds thereof in Substitute Collateral Obligations, subject to the Reinvestment Criteria. The yield with respect to such Substitute Collateral Obligations 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 Collateral 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 Collateral Obligations 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 Collateral Obligations, which will further reduce the yield of the Adjusted Collateral Principal Amount. Any decrease in the yield on the Adjusted Collateral Principal Amount will have the effect of reducing the amounts available to make distributions 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 Collateral Obligations are sold, prepaid, or mature, yields on Collateral Obligations 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 Collateral Obligations purchased will be the same as those replaced and there can be no assurance as to the timing of the purchase of any Substitute Collateral Obligations.

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 Collateral Obligations. The longer the period between reinvestment of cash in Collateral Obligations, 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 prepayable 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 Obligations 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 Collateral Obligations 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 Collateral Obligations owned by the Issuer on the Issue Date, the timing of purchases of additional Collateral Obligations on and after the Issue Date and the scheduled interest payment dates of those Collateral Obligations 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 distributions to the Subordinated Notes on the first Payment Date.

3.17 **Ratings on Collateral Obligations**

The Collateral Quality Tests, the Portfolio Profile Tests and the Coverage Tests are sensitive to variations in the ratings applicable to the underlying Collateral Obligations. 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 Risk Obligation, a CCC Obligation or Caa Obligation (and therefore potentially subject to haircuts in the determination of the Par Value Tests and restriction in the Portfolio Profile Tests) or a Defaulted Obligation. The Collateral Management and Administration Agreement contains detailed provisions for determining the Fitch Rating and the Moody's Rating. In most 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 Collateral Obligation. In most cases, the Moody's Rating and Fitch Rating in respect of a Collateral Obligation will be based on a confidential credit estimate determined separately by Fitch and Moody's. Such confidential credit estimates are private and therefore not capable of being disclosed to Noteholders. In addition, some ratings will be derived by the Collateral 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 Collateral Manager. Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Collateral Obligation and may reflect a more or less conservative view of the actual credit risk of such Collateral Obligation 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 Collateral Obligation in question. Please see *"Ratings of the Notes"* and *"The Portfolio"*.

3.18 **Insolvency Considerations relating to Collateral Obligations**

Collateral Obligations 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 Collateral Obligations 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 Senior Obligations, Mezzanine Obligations and High Yield Bonds entered into by Obligors in such jurisdictions. No reliable historical data is available.

3.19 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 Collateral 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 Collateral Obligations, the Issuer may be subject to claims from creditors of an Obligor that Collateral Obligations 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 Collateral 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 Collateral Obligations 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.

3.20 Changes in Tax Law; No Gross Up; General

At the time when they are acquired by the Issuer, Eligibility Criteria require that payments of interest on the Collateral Obligations either will not be reduced by any withholding tax imposed by any jurisdiction (other than withholding taxes in respect of commitment fees, letter of credit fees or similar fees) or, if and to the extent that any such withholding tax does apply, the relevant Obligor will be obliged to make gross up payments to the Issuer that cover the full amount of such withholding tax. 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 Collateral Obligations 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 gross up to the Issuer. In such circumstances, the Issuer may be able, but will not be obliged, to take advantage of (a) a double taxation treaty between the Netherlands and the jurisdiction from which the relevant payment is made, (b) the current applicable law in the jurisdiction of the borrower or (c) the fact that the Issuer has taken a Participation in such Collateral Obligations from a Selling Institution which is able to pay interest payable under such Participation gross. In the event that the Issuer receives any interest payments on any Collateral Obligation 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 Collateral Obligations would be sufficient to make timely payments of interest, principal on the Maturity Date and other amounts payable in respect of the Notes of each Class.

3.21 Collateral Manager

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

In addition, the Collateral Management and Administration Agreement places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Obligations, and the Collateral Manager is required to comply with the restrictions contained in the Collateral Management and Administration Agreement. Accordingly, during certain periods or in certain specified circumstances, the Collateral Manager may be unable to buy or sell Collateral Obligations or to take other actions which it might consider in the best interest of the Issuer and the Noteholders, as a result of the restrictions set forth in the Collateral Management and Administration Agreement.

The investment management functions described in the Collateral Management and Administration Agreement referred to in this Offering Circular will be performed by the Collateral Sub-Manager pursuant to authority granted to the Collateral Sub-Manager by the Issuer and the Collateral Manager under the Collateral Sub-Management Agreement. On this basis, where reference in this Offering Circular is made to the "Collateral Manager" this shall, in relation to investment management services provided to the Issuer, be read as a reference to the Collateral Sub-Manager.

The Issuer is a newly formed entity and has no operating history or performance record of its own. The actual performance of the Issuer will depend on numerous factors which are difficult to predict and may be beyond the control of the Collateral 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 Collateral 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 Collateral Manager or Affiliates of the Collateral 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 Collateral Manager in analysing, selecting and managing the Collateral Obligations. There can be no assurance that such key personnel currently associated with the Collateral Manager or

any of its Affiliates 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 Portfolio and the Issuer's ability to make payments on the Notes.

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

In addition, the Collateral Manager may resign or be removed in certain circumstances as described herein under "*Description of the Collateral Management and Administration Agreement*". There can be no assurance that any successor manager would have the same level of skill in performing the obligations of the Collateral Manager, in which event payments on the Notes could be reduced or delayed.

The Collateral Manager is not required to devote all of its time to the performance of the Collateral Management and Administration Agreement and will continue to advise and manage other investment funds, managed accounts and investment vehicles in the future.

3.22 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 Collateral Manager or the Issuer and no authority to advise the Collateral Manager or the Issuer or to direct their actions, which will be solely the responsibility of the Collateral 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.

3.23 Acquisition and Disposition of Collateral Obligations

The estimated 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) are expected to be approximately €350,845,000. Such proceeds shall be (a) used to fund the First Period Reserve Account in an amount equal to €2,000,000 and (b) deposited into the Unused Proceeds Account to be utilised to fund the acquisition of Collateral Obligations complying with the Eligibility Criteria and the other requirements of the Collateral Management and Administration Agreement purchased by the Issuer during the Initial Investment Period (as defined in the Conditions).

The Collateral Manager's decisions concerning purchases of Collateral Obligations 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 Collateral Management and Administration Agreement. The failure or inability of the Collateral Manager to acquire Collateral Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Obligations 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 Collateral Management and Administration Agreement and as described herein, the Collateral Manager may only, on behalf of the Issuer, dispose of a limited percentage of Collateral Obligations in any period of 12 calendar months as well as any Collateral Obligation that meets the definition of a Defaulted Obligation, an Exchanged Security and, subject to the satisfaction of certain conditions, a Credit Risk Obligation or Credit Improved Obligation. Notwithstanding such restrictions and subject to the satisfaction of the conditions set forth in the Collateral Management and Administration Agreement, sales and purchases by the Collateral Manager (on behalf of the Issuer) of Collateral Obligations 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 Collateral Manager may believe that it is in the best interests of the Issuer to dispose of a Collateral Obligation, but will not be permitted to do so under the terms of the Collateral Management and Administration Agreement.

3.24 Adverse Effect of Determination of U.S. Trade or Business

The Issuer intends to conduct its affairs in a manner designed to prevent the Issuer from being treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes. Prospective investors should be aware, however, that no opinion of counsel or 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, there can be no assurance that the IRS will agree. If the IRS were successfully to assert that the Issuer is engaged in a U.S. trade or business there could be material adverse financial consequences to the Issuer and to persons who hold the Notes. 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.

3.25 Regulatory Risk related to Lending

In many jurisdictions, especially in Continental Europe, engaging in lending activities "in" certain jurisdictions whether conducted via the granting of loans, purchases of receivables, discounting of invoices, guarantee transactions or otherwise (collectively, "**Lending Activities**") is generally considered a regulated financial activity and, accordingly, must be conducted in compliance with applicable local banking laws. 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 Lending Activities in such jurisdictions.

As such, Collateral Obligations may be subject to these local law requirements. 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 Collateral Obligations 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 Collateral Obligations 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.

3.26 Valuation Information; Limited Information

None of the Initial Purchaser, the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, the Trustee, the Agents 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 Collateral Obligations and none of the transaction parties (including the Issuer, the Trustee, the Collateral Administrator, the Collateral Manager and the Collateral Sub-Manager) will be required to provide any information other than what is required in the Trust Deed or the Collateral Management and Administration 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 Collateral Manager may be in possession of material, non-public information with regard to the Collateral Obligations and will not be required to disclose such information to the Noteholders.

4. CERTAIN CONFLICTS OF INTEREST

The Initial Purchaser and the Collateral Manager, 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.

Certain Conflicts of Interest Involving or Relating to the Collateral Manager, the Collateral Sub-Manager and their Affiliates

Various potential and actual conflicts of interest may exist from the overall investment activities of the Collateral Manager, the Collateral Sub-Manager and their Affiliates (together, the "**CQS Group**"), their Affiliates and others, and any fund, vehicle or account managed or advised or in respect of which discretionary voting authority is exercised on behalf of such fund or account by an entity within the CQS Group (a "**Related Entity**"). The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

(a) **Investment Opportunities**

Members of the CQS Group or a Related Entity and their respective clients may invest for their own accounts or for the accounts of others in securities or obligations that would be appropriate as security for the Notes and have no duty in making such investments to act in a way that is favourable to the Issuer or the holders of the Notes. Such investments may be different from those made on behalf of the Issuer. Members of the CQS Group or a Related Entity may have on-going relationships with companies whose obligations are pledged to secure the Notes or whose obligations may own debt or equity securities issued by obligors of Collateral Obligations. The Collateral Manager and the Collateral Sub-Manager may take into consideration such relationships in their management of the Collateral Obligations.

For instance, there may be certain investments that the Collateral Manager and the Collateral Sub-Manager generally will not undertake on behalf of the Issuer in view of such relationships. In addition, members of the CQS Group or a Related Entity may invest in securities that are senior to, or have interests different from, or adverse to, the obligations that are pledged to secure the Notes.

A member of the CQS Group may act as a collateral manager with respect to, and may be an investor in, certain other collateralized debt obligation vehicles some of which invest in loans and securities similar to those in which the Issuer will invest or serve as a general partner or manager of, or as an investment advisor for, limited partnerships or other limited liability companies or similar entities organized to issue collateralized debt obligations secured by loans which may compete with the Issuer for investment opportunities. A member of the CQS Group may at certain times be simultaneously seeking to purchase investments for the Issuer and for one or more other Related Entities.

The Collateral Manager and members of the CQS Group may each engage in other business and furnish investment management and advisory services to other entities, including Related Entities whose investment policies may differ from those followed by the Collateral Manager on behalf of the Issuer. The Collateral Manager and members of the CQS Group may make recommendations or effect transactions, which differ from those effected with respect to the Collateral Obligations. In addition, the Collateral Manager and members of the CQS Group may, from time to time, cause or direct Related Entities to buy or sell, or may recommend to Related Entities, the buying and selling of, securities of the same or of a different kind or class of the same obligor as securities which are part of the Collateral which the Collateral Manager directs to be purchased or sold on behalf of the Issuer. Therefore, the Collateral Manager and other members of the CQS Group may at certain times be simultaneously seeking to purchase or sell the same or similar investments for the Issuer, for any Related Entity or for itself or a member of the CQS Group. Likewise, the Collateral Manager or the Collateral Sub-Manager may, on behalf of the Issuer, make an investment in an issuer or obligor in which a member of the CQS Group or a Related Entity is already invested or has co-invested. The Collateral Manager and/or the Collateral Sub-Manager will allocate investment opportunities on an equitable basis between the Issuer and its other clients, including any Related Entities. Situations may occur where the Issuer could be disadvantaged because of the investment activities conducted by the Collateral Manager and/or the Collateral Sub-Manager for the Related Entities. There is no assurance that the Issuer will hold the same investments or perform in a substantially similar manner as any member of the CQS Group or a Related Entity. There is also a possibility that the Issuer will invest in opportunities declined by members of the CQS Group for the accounts of others or for their own accounts. In making investments on behalf of a Related Entity, the Collateral Manager and/or the Collateral Sub-Manager in its discretion may, but is not required to, aggregate orders for the Issuer with such other orders, notwithstanding that depending upon market conditions, aggregated orders can result in a higher or lower average price.

No provision in the Collateral Management and Administration Agreement prevents the Collateral Manager or any other member of the CQS Group from rendering services of any kind to any person or entity or engaging in any other investment and/or business activities. Without limiting the generality of

the foregoing, the Collateral Manager, any member of the CQS Group and their respective directors, officers, partners, members, employees and agents may, among other things: (a) serve as directors, partners, officers, members, employees, agents, nominees or signatories for any issuer of any obligation included in the Collateral Obligations; (b) receive fees for services rendered to the issuer of any obligation included in the Collateral Obligations or any Affiliate thereof; (c) be retained to provide services unrelated to the Collateral Management and Administration Agreement to the Issuer and be paid therefor; (d) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any obligation included in the Collateral Obligations; (e) sell any Collateral Obligations or Eligible Investments to, or purchase from, or enter into any Collateral Obligations with, the Issuer while acting in the capacity of principal or agent; and (f) serve as a member of any "creditors' board" with respect to any obligation included in the Collateral Obligations which has become or may become a Defaulted Obligation. Services and activities of this kind may lead to conflicts of interest with the Collateral Manager and may lead individual directors, officers, partners, members, or employees of the members of the CQS Group (including the Collateral Manager) to act in a manner adverse to the Issuer.

The Collateral Manager, the other members of the CQS Group and their directors, partners, members, officers and employees may also have ongoing relationships with the issuers of Collateral and they and other clients of the CQS Group (including any Related Entity) may own securities or obligations issued by issuers of Collateral. As a result, members of the CQS Group or a Related Entity may possess information relating to issuers of Collateral Obligations which may not be known to the individuals at the Collateral Manager or the Collateral Sub-Manager responsible for monitoring the Collateral Obligations and performing the other obligations under the Collateral Management and Administration Agreement. Members of the CQS Group may, in particular, either for their own account or for the accounts of others, invest in loans or securities that are senior to, junior to, or have interests different from, or adverse to, the loans or securities that are acquired on behalf of the Issuer. There may be occasions when one or more members of the CQS Group or a Related Entity holds at the same time investments on account of different investment vehicles in different parts of the capital structure of an obligor, for example senior and mezzanine debt.

The Collateral Management and Administration Agreement places significant restrictions on the Collateral Manager's ability to invest in and dispose of Collateral Obligations. Accordingly, during certain periods or in certain circumstances, the Collateral Manager may be unable, as a result of such restrictions, to invest in or dispose of Collateral Obligations or to take other actions that it might consider to be in the best interests of the Issuer and the holders of the Notes.

(b) **Acquisition of Notes**

On the Issue Date, members of the CQS Group and/or one or more Related Entities will purchase a portion of the aggregate Principal Amount Outstanding of each Class of Notes issued on the Issue Date, subject to applicable regulations.

Subject to the Retention Requirements, such Notes may be sold by such party or parties to related and unrelated parties at any time after the Issue Date. In addition, certain amounts payable to the Collateral Manager and the Collateral Sub-Manager are payable on a subordinated basis. Such factors could create an incentive for the Collateral Manager to manage the Portfolio in such a manner as to seek to maximise the return on the Portfolio to increase the amount of payments to it by way of Subordinated Management Fee or as a Subordinated Noteholder. The Notes may also be purchased (either upon initial issuance or through secondary transfers) by a Related Entity and/or by investment vehicles in which members of the CQS Group hold a beneficial interest and there may be no limit on the exercise by such funds, vehicles 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. 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 Collateral 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 Collateral Manager and its Affiliates, 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 Collateral Manager expects to agree to pay certain initial investors in the Subordinated Notes a portion of the Subordinated Management Fee paid to the Collateral Manager on each Payment Date.

This arrangement will not be extended to any other purchaser on the Issue Date or through a new issuance or by means of a transfer from an existing holder.

However, the Collateral Manager and the Collateral Sub-Manager's management of the Portfolio is governed by their respective fiduciary obligations and internal policies with respect to the management of accounts as well as by the requirement that each of them comply with the investment guidelines and other obligations set out in the Collateral Management and Administration Agreement and the Collateral Sub-Management Agreement, respectively. Notes held by the Collateral Manager, the Collateral Sub-Manager and/or an Affiliate will have no voting rights with respect to any vote in connection with the removal of the Collateral Manager and the Collateral Sub-Manager and will be deemed not to be outstanding in connection with any such vote; provided, however, that Notes held by the Collateral Manager, the Collateral Sub-Manager and/or an Affiliate will have voting rights with respect to all other matters as to which the Noteholders are entitled to vote, including, without limitation, any vote in connection with the appointment of a replacement collateral manager which is not Affiliated with the Collateral Manager and the Collateral Sub-Manager in accordance with the Collateral Management and Administration Agreement and in connection with an optional redemption. See "*Description of the Collateral Management and Administration Agreement*" and Condition 7(b) (*Optional Redemption*).

(c) **Purchase and Sale from or through the Collateral Manager and/or the Collateral Sub-Manager**

A member of the CQS Group may have on-going relationships (including, without limitation, the provision of investment banking, commercial banking and advisory services engaging in securities and/or derivatives transactions) with Obligors and may own equity or other securities of Obligors of Collateral Obligations while also maintaining on-going relationships (including, without limitation, the provision of investment banking, commercial banking and advisory services or engaging in securities and/or derivatives transactions) with purchasers of the Notes. From time to time, the Collateral Manager and/or the Collateral Sub-Manager may, on behalf of the Issuer, purchase or sell Collateral Obligations through the Initial Purchaser or its Affiliates. The Issuer may invest in the securities of companies affiliated with the CQS Group or companies in which the Collateral Manager, the Collateral Sub-Manager or their respective Affiliates have an equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Collateral Manager's, the Collateral Sub-Manager's or their Affiliates' own investments in such companies.

In certain circumstances, the Collateral Manager or its Affiliates may receive compensation in connection with the investment of assets in certain Eligible Investments from the managers of such Eligible Investments. In addition, the Issuer may from time to time invest in Eligible Investments issued by, arranged by or underwritten by the CQS Group or its Affiliates.

(d) **Investment Advice and the Value of the Initial Portfolio**

With respect to the Portfolio, it is expected that the Issuer will acquire substantially all of the Collateral Obligations to be acquired on or prior to the Issue Date with proceeds drawn under warehouse financing arrangements. Each such purchase by the Issuer will be made pursuant to the advice of the Collateral Sub-Manager and the relevant purchase price may include adjustments such as any additional accrued and unpaid interest on the relevant Collateral Obligation as of the date of such sale to the Issuer, which purchase price could be more, less or the same as the market price of such Collateral Obligation on the Issue Date.

(e) **Principal Trades, Cross Transactions and Commissions**

The Collateral Manager or the Collateral Sub-Manager, each acting on behalf of the Issuer, may conduct principal trades with itself and any member of the CQS Group, subject to applicable law. The Collateral Manager and/or the Collateral Sub-Manager may also effect client cross transactions where the Collateral Manager or the Collateral Sub-Manager causes a transaction to be effected between the Issuer and a Related Entity. Client cross transactions enable the Collateral Manager or the Collateral Sub-Manager, acting on behalf of the Issuer, to purchase or sell a block of securities for the Issuer at a set price and possibly avoid an unfavourable price movement that may be created through entrance into the market with such purchase or sell order. In addition, with the prior authorisation of the Issuer, which can be revoked at any time, the Collateral Manager and/or the Collateral Sub-Manager may

enter into agency cross transactions where either of them or any member of the CQS Group acts as broker for the Issuer and for the other party to the transaction, in which case any such member of the CQS Group will receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction. Also with the prior authorisation of the Issuer and in accordance with Section 11(a) of the Exchange Act, and regulation 11a2-2(T) thereunder (or any similar rule that may be adopted in the future), the Collateral Manager and/or the Collateral Sub-Manager may effect transactions for the Issuer on a national securities exchange of which either of them or any member of the CQS Group is a member and retain commissions in connection therewith. Although the members of the CQS Group anticipate that the commissions, mark ups and mark downs charged by the members of the CQS Group will generally be competitive, the Collateral Manager or the Collateral Sub-Manager may have interests in such transactions that are adverse to those of the Issuer, such as an interest in obtaining favourable commission rates, mark ups and mark downs.

(f) **No Restriction on Acting for other Parties**

There is no limitation or restriction on the Collateral Manager or the Collateral Sub-Manager or any of their respective Affiliates with regard to acting as collateral manager (or in a similar role) to other parties or persons. This and other future activities of the Collateral Manager, the Collateral Sub-Manager and/or their Affiliates may give rise to additional conflicts of interest.

Certain Conflicts of Interest Involving or Relating to the Initial Purchaser and its Affiliates

Each of the Initial Purchaser and its Affiliates (excluding, for these purposes, the Trustee and the Agents) (the "**Deutsche Bank 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 Deutsche Bank Parties have been involved (together with the Collateral Manager) in the formulation of the Portfolio Profile Tests, Coverage Tests, Collateral Quality Tests, Priorities of Payments and other criteria in and provisions of the Trust Deed and the Collateral Management and Administration Agreement. These may be influenced by discussions that the Initial Purchaser may have or has 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 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 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 Deutsche Bank 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 Deutsche Bank 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 Deutsche Bank Parties may have positions in and will likely have placed or underwritten certain of the Collateral Obligations (or other obligations of the obligors of Collateral Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Collateral Obligations. In addition, the Deutsche Bank Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Obligations. Each of the Deutsche Bank 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 Deutsche Bank Parties or in which one or more Deutsche Bank Parties hold an equity, participation or other interest. The purchase, holding or sale of such Collateral Obligations by the Issuer may increase the profitability of the Deutsche Bank Party's own investments in such obligors.

From time to time the Collateral Manager will purchase from or sell Collateral Obligations through or to the Deutsche Bank Parties (including a portion of the Collateral Obligations to be purchased on or prior to the Issue Date) and that one or more Deutsche Bank Parties may act as the selling institution with respect to participation interests and/or a counterparty under a Hedge Agreement. The Deutsche Bank Parties may act as placement agent 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 Deutsche Bank 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, Deutsche Bank Parties and employees or customers of the Deutsche Bank Parties may actively trade in and/or otherwise hold long or short positions in the Notes, Collateral Obligations and Eligible Investments or enter into transactions similar to referencing the Notes, Collateral Obligations and Eligible Investments or the obligors thereof for their own accounts and for the accounts of their customers. If a Deutsche Bank 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 Deutsche Bank 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 Deutsche Bank 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.

5. DUTCH LAW

The Issuer is subject to risks, including the location of its centre of main interest.

The Issuer has its registered office in the Netherlands. As a result there is a rebuttable presumption that its centre of main interest ("**COMI**") is in the Netherlands and consequently that any main insolvency proceedings applicable to it would be governed by Dutch 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 the Netherlands, has only Dutch Managing Directors and is registered for tax in the Netherlands, 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 the Netherlands, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in the Netherlands.

TERMS AND CONDITIONS

The following are the terms and conditions 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 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, some of which will modify the effect of these terms and conditions. See "Form of the Notes - Amendments to Terms and Conditions".

The issue of €202,125,000 Class A-1 Senior Secured Floating Rate Notes due 2026 (the "**Class A-1 Notes**"), €46,375,000 Class A-2 Senior Secured Floating Rate Notes due 2026 (the "**Class A-2 Notes**" and, together with the Class A-1 Notes, the "**Class A Notes**"), €21,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2026 (the "**Class B Notes**"), €18,375,000 Class C Senior Secured Deferrable Floating Rate Notes due 2026 (the "**Class C Notes**"), €22,750,000 Class D Senior Secured Deferrable Floating Rate Notes due 2026 (the "**Class D Notes**"), €11,375,000 Class E Senior Secured Deferrable Floating Rate Notes due 2026 (the "**Class E Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Rated Notes**"), €39,550,000 Subordinated Notes due 2026 (the "**Subordinated Notes**" and, together with the Rated Notes, the "**Notes**") of Grosvenor Place CLO 2013-1 B.V. (the "**Issuer**") was authorised by resolution of the board of Managing Directors of the Issuer dated 3 December 2013. The Notes are constituted by a trust deed (together with any other security document entered into in respect of the Rated Notes including, but not limited to, the Euroclear Security Agreement, the "**Trust Deed**") dated 5 December 2013 between (amongst others) the Issuer and Deutsche Trustee Company Limited (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**") 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 entered into in relation to the Notes:

(a) an agency and account bank agreement dated 5 December 2013 (the "**Agency and Account Bank Agreement**") between, amongst others, the Issuer, Deutsche Bank Trust Company Americas as registrar (the "**Registrar**", which term shall include any successor or substitute registrars appointed pursuant to the terms of the Agency and Account Bank Agreement), Deutsche Bank Trust Company Americas as U.S. paying agent (the "**U.S. Paying Agent**", which term shall include any successor or substitute U.S. paying agents appointed pursuant to the terms of the Agency and Account Bank Agreement) and Deutsche Bank Trust Company Americas as transfer agent (the "**Transfer Agent**" which term shall include any successor or substitute transfer agent), Deutsche Bank AG, London Branch, as exchange agent (the "**Exchange Agent**" which term shall include any successor or substitute exchange agents), Deutsche Bank AG, London Branch, as principal paying agent, account bank, calculation agent and custodian (respectively, "**Principal Paying Agent**", "**Account Bank**", "**Calculation Agent**" and "**Custodian**", which terms shall include any successor or substitute principal paying agent, account bank, calculation agent or custodian, respectively, appointed pursuant to the terms of the Agency and Account Bank Agreement) and the Trustee;

(b) a Collateral Management and Administration Agreement dated 5 December 2013 (the "**Collateral Management and Administration Agreement**") between, amongst others, CQS Cayman Limited Partnership, as collateral manager in respect of the Portfolio (the "**Collateral Manager**", which term shall include any successor Collateral Manager appointed pursuant to the terms of the Collateral Management and Administration Agreement), the Issuer, Deutsche Bank AG, London Branch, as collateral administrator (the "**Collateral Administrator**" which term shall include any successor collateral administrator appointed pursuant to the terms of the Collateral Management and Administration Agreement) and an information agent appointed pursuant thereto (the "**Information Agent**" which term shall include any successor information agent);

(c) a Collateral Sub-Management Agreement dated 5 December 2013 (the "**Collateral Sub-Management Agreement**") between the Collateral Manager, CQS Investment Management Limited, as collateral sub-manager (in such capacity, the "**Collateral Sub-Manager**", which

term shall include any successor Collateral Sub-Manager appointed pursuant to the terms of the Collateral Sub-Management Agreement) and the Issuer;

(d) a liquidity facility agreement (the "**Liquidity Facility Agreement**") dated 5 December 2013 between, amongst others, the Issuer, the Collateral Manager and Deutsche Bank AG, London Branch as Liquidity Facility Provider;

(e) a letter agreement relating to the Retention Notes (the "**Risk Retention Letter**") entered into between the Issuer, the Retention Holder, the Trustee and the Collateral Administrator;

(f) a management agreement dated 5 December 2013 between the Issuer and the Managing Directors (the "**Issuer Management Agreement**").

Copies of the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement, the Collateral Sub-Management Agreement, the Liquidity Facility Agreement, the Risk Retention Letter and the Issuer Management Agreement are available for inspection during usual business hours at the registered office of the Issuer (presently at Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam Zuidoost, The Netherlands) and at the specified office of the Principal Paying Agent for the time being.

The holders of each Class of Notes are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of each other Transaction Document.

Pursuant to the Collateral Sub-Management Agreement, CQS Cayman Limited Partnership, as Collateral Manager, has appointed CQS Investment Management Limited as the Collateral Sub-Manager to act as its agent in the provision to the Issuer of the investment management services specified herein and, accordingly, until the termination of the Collateral Sub-Management Agreement in accordance with its terms, these Conditions provide that the Collateral Sub-Manager shall be entitled to exercise all of the rights, and shall be subject to and be obligated to perform all of the liabilities and obligations, of the Collateral Manager to the same extent as if the Collateral Sub-Manager has been appointed as the Collateral Manager. Accordingly, where applicable references to the Collateral Manager in these Conditions shall also be read as references to the Collateral Sub-Manager.

1. Definitions

"**Accounts**" means the Principal Account, the Custody Account, the Interest Account, the Unused Proceeds Account, the Payment Account, the Expense Reserve Account, the Supplemental Reserve Account, the First Period Reserve Account, the Counterparty Downgrade Collateral Accounts, the Currency Account, the Hedge Termination Account, the Prefunded Commitment Account, the Unfunded Revolver Reserve Account and the Collection Account, all of which shall be held and administered outside The Netherlands.

"**Acceleration Notice**" shall have the meaning ascribed to it in Condition 10(b) (*Acceleration*).

"**Accrual 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 each successive period from and including each Payment Date to, but excluding, the following Payment Date.

"**Accrued Collateral Obligation Interest**" means, in respect of any Payment Date, the amount which is equal to the aggregate of all accrued unpaid interest under the Collateral Obligations (excluding Purchased Accrued Interest, interest on any Defaulted Obligations and unpaid interest under Mezzanine Obligations deferred in accordance with the terms of such Mezzanine Obligations), which is not payable to the Issuer on or prior to the Determination Date in respect of such Payment Date by the Obligors under the relevant Collateral Obligations.

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

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

(b) unpaid Purchased Accrued Interest (other than with respect to Defaulted Obligations), *plus*

(c) 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*

(d) in relation to a Deferring Security or a 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 (d) of 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*

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

(f) the Excess CCC/Caa Adjustment Amount;

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

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

(a) *firstly,* on a pro-rata basis and *pari passu*, to (i) the Agents pursuant to the Agency and Account Bank Agreement, (ii) the Collateral Administrator and the Information Agent pursuant to the Collateral Management and Administration Agreement and (iii) the Managing Directors pursuant to the Issuer Management Agreement;

(b) *secondly,* 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 Collateral Obligations, for fees and expenses (including surveillance fees) in connection with any such rating or confidential credit estimate including, in each case, the ongoing 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 (other than amounts payable to the Agents pursuant to paragraph (a) above);

(iii) to the Collateral Manager pursuant to the Collateral Management and Administration Agreement (including, but not limited to, the indemnities provided for therein and all ordinary expenses, costs, fees, out-of-pocket expenses, brokerage fees incurred by the Collateral Manager), but excluding any Collateral Management Fees or any value added tax payable thereon (whether payable to the Collateral Manager or any relevant taxation authority, as appropriate);

(iv) to any other Person in respect of any governmental fee or charge (for the avoidance of doubt excluding any taxes (other than any value added tax)) or any statutory indemnity;

(v) to the Irish Stock Exchange, or such other stock exchange or exchanges upon which any of the Notes are listed from time to time;

(vi) on a *pro rata* basis to any other Person in respect of any other fees or expenses contemplated in the Conditions and in the Transaction Documents (other than the Liquidity Facility Agreement) or any other documents (other than the Liquidity Facility

Agreement) 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;

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

(viii) to the payment on a *pro rata* basis of any fees, expenses or indemnity payments in relation to the restructuring of a Collateral Obligation, including but not limited to a steering committee relating thereto;

(ix) 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);

(x) to amounts payable to the Liquidity Facility Provider under the Liquidity Facility Agreement (excluding any increased costs under the Liquidity Facility Agreement) other than Liquidity Facility Interest Amounts, Liquidity Facility Commitment Fee Amounts, Liquidity Drawings and any repayment of any Prefunded Commitment; and

(xi) to the payment of any costs and expenses incurred by the Issuer in order to comply with any requirements under EMIR which are applicable to it;

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

(i) on a *pro rata* basis to any other Person (including the Collateral Manager) in connection with satisfying the requirements of EMIR, CRA or the Dodd-Frank Act;

(ii) on a *pro rata* basis to any other Person (including the Collateral Manager) in connection with satisfying the requirements of Article 122a, AIFMD or Solvency II including any costs or fees related to additional due diligence or reporting requirements;

(iii) FATCA Compliance Costs; and

(iv) reasonable fees, costs and expenses of the Issuer and the Collateral Manager including reasonable attorneys' fees of compliance by the Issuer and the Collateral Manager with the United States Commodity Exchange Act of 1936, as amended (including rules and regulations promulgated thereunder);

(d) *fourthly*, any Refinancing Costs; and

(e) *fifthly,* except to the extent already provided for above, on a *pro rata* basis payment of any indemnities payable to any Person as contemplated in these Conditions or the Transaction Documents,

provided that:

(x) the Collateral Manager may direct the payment of any Rating Agency fees set out in (b)(i) above other than in the order required by paragraph (b) above (but in all cases subject to amounts payable under paragraph (a) having been paid in priority) if the Collateral Manager or Issuer has been advised by a Rating Agency that non-payment of its fees will immediately result in the withdrawal of any ratings on any Class of Rated Notes;

(y) the Collateral Manager may direct the payment of any fees to the independent certified public accountants, auditors or agents of the Issuer set out in paragraph (b)(ii) above other than in the order required by paragraph (b) above (but in all cases subject to amounts payable under paragraph (a) having been paid in priority) if the Collateral Manager, in its reasonable judgement, determines a payment other than in the order required by paragraph (b) above is required to ensure the delivery of certain accounting services and reports; and

(z) except as provided in (b)(iii) above, any value added tax due and payable above shall be paid at the same level at which the expenses which incurred such value added tax is paid.

"**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;

(b) any account, fund, vehicle, client or portfolio for which the Collateral Manager or the Collateral Sub-Manager acts as the investment manager or adviser and in respect to which the Collateral Manager or the Collateral Sub-Manager has discretionary voting authority; and

(c) 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 paragraphs (a) or (b) 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 Transfer Agent, the Exchange Agent, the Calculation Agent, the Account Bank, the Collateral Administrator, the U.S. Paying Agent, the Information Agent and the Custodian, and each of their permitted successors or assigns appointed as agents of the Issuer pursuant to the Agency and Account Bank Agreement or, as the case may be, the Collateral Management and Administration Agreement and "**Agents**" shall be construed accordingly.

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

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

"**AIFMD Retention Requirements**" means the retention requirements contained in Section 5 of the European Union Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 implementing Article 17 of the AIFMD, together with any guidance published by any European regulator in relation thereto and any implementing law or regulation in force in any Member State of the European Union, and any reference to the AIFMD Retention Requirements shall be deemed to include any provision of any directive or regulation of the European Union from time to time in force which replaces or supplements such retention requirements.

"**Article 122a**" means Article 122a of the European Union Directive 2006/48/EC (as amended from time to time and as implemented by the Member States of the European Union) together with any guidelines and technical standards published in relation thereto by the European Banking Authority (or any successor or replacement agency or authority) as may be effective from time to time, provided that any reference to Article 122a shall be deemed to include any successor or replacement provisions included in any European Union directive or regulation subsequent to the European Union Directives 2006/48/EC or 2006/49/EC.

"**Authorised Denomination**" means, in respect of any Note, the Minimum Denomination thereof and any denomination equal to a multiple of the Authorised Integral Amount in excess of the Minimum Denomination thereof.

"**Authorised Integral Amount**" means for each Class of Notes, €1,000.

"**Authorised Officer**" means with respect to the Issuer, any Managing 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 Commitment**" means at any time the maximum amount allowed to be drawn by the Issuer on a Drawdown Date pursuant to the terms of the Liquidity Facility Agreement.

"**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, certificates of 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 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 material 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 Collateral Obligation).

"**Benefit Plan Investor**" means:

(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's or plan's investment in such entity, but only to the extent of the percentage of the equity interests in such entity that are held by Benefit Plan Investors.

"**Bridge Loan**" shall mean any Collateral Obligation that: (i) 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; (ii) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings (provided, however, that any additional borrowing or refinancing having a term of more than one year may be included as a Bridge Loan if one or more financial institutions shall have provided the Obligor with a binding written commitment to provide the same); and (iii) prior to its purchase by the Issuer, has a Moody's Rating and a Fitch Rating or, if the Bridge Loan is not rated by Moody's and/or Fitch, Rating Agency Confirmation has been obtained from the relevant Rating Agency.

"**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 Amsterdam, London and New York (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 Obligations" means all Collateral Obligations, excluding Defaulted Obligations, with a Moody's Rating of "Caa1" or lower.

"CCC/Caa Excess" means the amount equal to the greater of:

(a) the excess of the aggregate Principal Balance of all CCC Obligations over an amount equal to 7.5 per cent. of the Collateral Principal Amount as of the current Measurement Date; and

(b) the excess of the aggregate Principal Balance of all Caa Obligations over an amount equal to 7.5 per cent. of the Collateral Principal Amount as of the current Measurement Date,

provided that in determining which of the CCC Obligations or Caa Obligations, as applicable, shall be included under part (a) or (b) above, the CCC Obligations or Caa Obligations, as applicable, with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the Principal Balance of such Collateral Obligations as of such Measurement Date) shall be deemed to constitute the CCC/Caa Excess.

"**CCC Obligations**" means all Collateral Obligations, excluding Defaulted Obligations, with a Fitch Rating of "CCC" or lower.

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

"**Class of Notes**" means each of the Classes of Notes being:

(a) the Class A-1 Notes;

(b) the Class A-2 Notes;

(c) the Class B Notes;

(d) the Class C Notes;

(e) the Class D Notes;

(f) the Class E Notes; and

(g) the Subordinated Notes,

and "**Class of Noteholders**" and "**Class**" shall be construed accordingly.

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

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

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

"**Class A Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the Payment Date occurring on 20 January 2015, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A-1 Notes and the Class A-2 Notes on the following Payment Date. For the purposes of calculating the Class A Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A-1 Notes and the Class A-2 Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"**Class A Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the Payment Date occurring on 20 January 2015 and which will be satisfied on such Measurement Date if the Class A Interest Coverage Ratio is at least equal to 125.0 per cent.

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

"**Class A 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-1 Notes and the Class A-2 Notes.

"**Class A 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 Par Value Ratio is at least equal to 133.3 per cent.

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

"**Class B Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the Payment Date occurring on 20 January 2015, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A-1 Notes, the Class A-2 Notes and the Class B Notes on the following Payment Date. For the purposes of calculating the Class B Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A-1 Notes, the Class A-2 Notes and the Class B Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"**Class B Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the Payment Date occurring on 20 January 2015 and which will be satisfied on such Measurement Date if the Class B Interest Coverage Ratio is at least equal to 112.0 per cent.

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

"**Class 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-1 Notes, the Class A-2 Notes and the Class B Notes.

"**Class B 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 B Par Value Ratio is at least equal to 123.9 per cent.

"**Class C Coverage Tests**" means the Class C Interest Coverage Test and the Class C Par Value Test.

"**Class C Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the Payment Date occurring on 20 January 2015, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes on the following Payment Date. For the purposes of calculating the Class C Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"**Class C Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the Payment Date occurring on 20 January 2015 and which will be satisfied on such Measurement Date if the Class C Interest Coverage Ratio is at least equal to 105.0 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-1 Notes, the Class A-2 Notes, the Class B Notes and 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 116.6 per cent.

"**Class D Coverage Tests**" means the Class D Interest Coverage Test and the Class D Par Value Test.

"**Class D Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the Payment Date occurring on 20 January 2015, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes on the following Payment Date. For the purposes of calculating the Class D Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"**Class D Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the Payment Date occurring on 20 January 2015 and which will be satisfied on such Measurement Date if the Class D Interest Coverage Ratio is at least equal to 102.0 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-1 Notes, the Class A-2 Notes, the Class B Notes, 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 108.7 per cent.

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

"**Clearing System Business Day**" means a day on which Euroclear and Clearstream, Luxembourg are open for business.

"**Code**" means the United States Internal Revenue Code of 1986, as amended from time to time.

"**Collateral**" means the property, assets and rights described in Condition 4(a) (*Security*) which are charged and/or assigned to 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 in relation to the purchase by the Issuer of Collateral Obligations from time to time, including the Warehouse Arrangements.

"**Collateral Enhancement Obligation**" means any warrant or equity security, excluding Exchanged Securities, but including without limitation, warrants relating to Mezzanine Obligations and any equity security received upon conversion or exchange of, or exercise of an option under, or otherwise in respect of a Collateral Obligation; or any warrant or equity security purchased as part of a unit with a Collateral Obligation (but in all cases, excluding, for the avoidance of doubt, the Collateral Obligation), in each case, 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; provided that no Collateral Enhancement Obligation may be, or be exchangeable into, a Dutch Ineligible Security.

"**Collateral Enhancement Obligation Proceeds**" means all Distributions and Sale Proceeds received in respect of any Collateral Enhancement Obligation.

"**Collateral Management Fee**" means each of the Senior Management Fee, the Subordinated Management Fee and the Incentive Collateral Management Fee.

"**Collateral Obligation**" means any debt obligation or debt security purchased (including by way of a Participation) by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer) and which satisfies the Eligibility Criteria at the time that any commitment to purchase is entered into by or on behalf of the Issuer (or the Participation Agreement is entered into in respect of a Participation). References to Collateral Obligations shall include Non-Euro

Obligations but shall not include Collateral Enhancement Obligations, Eligible Investments or Exchanged Securities. Obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase but which have not yet settled shall be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test at any time as if such purchase had been completed. Each obligation in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations solely for the purpose of the calculation of the Portfolio Profile Tests, Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test at any time 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 Collateral 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 Collateral Obligation unless it is an Issue Date Collateral Obligation which does not satisfy the Eligibility Criteria on the Issue Date. A Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor which in each case may be effected by way of a "cashless roll") shall only constitute a Collateral Obligation if it is a Restructured Obligation.

"**Collateral Obligation Stated Maturity**" means, with respect to any Collateral Obligation 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.

"**Collateral Principal Amount**" 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 Collateral Obligations, provided however that the Principal Balance of Defaulted Obligations shall be excluded in calculating the Collateral Principal Amount for the purposes only of:

(i) the Portfolio Profile Tests and the Collateral Quality Tests; and

(ii) determining whether an Event of Default has occurred in accordance with Condition 10(a)(iv) (*Collateral Obligations*);

(b) for the purpose solely of calculating the Collateral Management Fees, (A) the aggregate amount of all accrued and unpaid interest purchased with Principal Proceeds (other than with respect to Defaulted Obligations) and (B) without duplication with (A), obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase, but which have not yet settled, shall be included as Collateral Obligations as if such purchase had been completed and obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations as if such sale had been completed; and

(c) the Balances standing to the credit of the Principal Account and the Unused Proceeds Account to the extent such amounts represent Principal Proceeds, and including the principal amount of any Eligible Investments purchased with such Balance but excluding, for the avoidance of doubt, any interest accrued on Eligible Investments.

"**Collateral Quality Tests**" means the Collateral Quality Tests set out in the Collateral Management and Administration Agreement being each of 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; and

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

(i) the Minimum Weighted Average Spread Test;

(ii) the Minimum Weighted Average Coupon Test; and

(iii) the Weighted Average Life Test,

each as defined in the Collateral Management and Administration 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, procedure or judicial decision or interpretation (whether proposed, temporary or final), payments due from the Obligors of any Collateral Obligations in relation to any Due Period to the Issuer becoming subject to the imposition of home jurisdiction or foreign withholding tax (other than where the Issuer is compensated for such withholding tax by a "gross up" provision in the terms of the Collateral Obligation so that the Issuer receives the same amount on an after tax basis that it would have received had no withholding tax been imposed) so that the aggregate amount of such withholding tax on all Collateral Obligations in relation to such Due Period is equal to or in excess of 7 per cent. of the aggregate interest payments due (for the avoidance of doubt, excluding any additional interest arising as a result of the operation of any gross up provision) on all Collateral Obligations in relation to such Due Period.

"**Collection Account**" means the account described as such in the name of the Issuer with the Account Bank.

"**Commitment Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral 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.

"**Controlling Class**" means, the Class A-1 Notes or, following redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes or, following redemption and payment in full of the Class A-1 Notes and the A-2 Notes, the Class B Notes or, following redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes and the Class B Notes, the Class C Notes or, following redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes, Class B Notes and the Class C Notes, the Class D Notes or, following redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes, Class B Notes, the Class C Notes and the Class D Notes, the Class E Notes or, following redemption in full of all of the Rated Notes, the Subordinated Notes.

"**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 with respect to such assets, and any "affiliate" of any such person. An "affiliate" for purposes of this definition means a person 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 (other than an individual).

"**Corporate Rescue Loan**" means any interest in a loan or financing facility that is acquired directly by way of assignment which is paying interest 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 (x) 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 (y) 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 (z) such Corporate Rescue Loan is secured by junior liens on the Debtor's unencumbered assets and such Corporate Rescue Loan is fully secured based upon a current valuation or appraisal report; or (zz) 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 in a restructuring or insolvency process which (i) constitutes the most senior secured obligations of the entity which is the borrower thereof and either (ii) 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 (iii) 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,

provided, in each case, that it is not a Dutch Ineligible Security.

"**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 Account**" means, in respect of each Hedge Counterparty and a Hedge Agreement to which it is a party, the account of the Issuer with the Custodian into which all Counterparty Downgrade Collateral (other than cash) is to be deposited or (as the case may be) each interest bearing account of the Issuer with the Account Bank into which all Counterparty Downgrade Collateral (in the form of cash) is to be deposited, in each case in respect of such Hedge Counterparty and such Hedge Agreement, each such account to be named including the name of the relevant Hedge Counterparty.

"**Coverage Test**" means each of the Class A Par Value Test, the Class A Interest Coverage Test, Class B Par Value Test, the Class B Interest Coverage Test, the Class C Par Value Test, the Class C Interest Coverage Test, the Class D Par Value Test and the Class D Interest Coverage Test.

"**Cov-Lite Loan**" means a Collateral Obligation, as determined by the Collateral Manager in its reasonable commercial judgment, that is an interest in a loan, the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the borrower thereunder to comply with any Maintenance Covenant (regardless of whether compliance with one or more incurrence covenants is otherwise required by such Underlying Instruments).

"**CRA**" means Regulation EC 1060/2009 on credit rating agencies as may be amended, supplemented or replaced including any implementing and/or delegated regulation, technical standards and guidance related thereto.

"**CRD Retention Requirements**" means Article 122a, together with any guidance published in relation thereto by the EBA including any regulatory and/or implementing technical standards being prepared by the EBA to replace the Article 122a Guidelines (the "**Regulatory Technical Standards**"), provided that any reference to the CRD Retention Requirements shall be deemed to include any successor or replacement provisions of Article 122a included in any European Union directive or regulation subsequent to the European Union Directives 2006/48/EC or 2006/49/EC.

"**Credit Improved Obligation**" means any Collateral Obligation which, in the Collateral Manager's reasonable commercial judgment (which judgment 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 during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Improved Obligation only if: (i) the Credit Improved Obligation Criteria are satisfied with respect to such Collateral Obligation; or (ii) the Controlling Class acting by Ordinary Resolution votes to treat such Collateral Obligation as a Credit Improved Obligation.

"**Credit Improved Obligation Criteria**" means the criteria that will be met in respect of a Collateral Obligation if any of the following apply to such Collateral Obligation, as determined by the Collateral Manager using reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events):

(a) if such Collateral Obligation is a loan obligation or floating rate note, the price of such loan obligation or floating rate note has changed during the period from the date on which the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such Collateral Obligation 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 Collateral Manager over the same period;

(b) if such Collateral Obligation is a Fixed Rate Collateral Obligation which is a bond or security, the price of such obligation has changed since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by a percentage either at least 1.0 per cent. more positive or at least 1.0 per cent. less negative than the percentage change in the Eligible Bond Index over the same period;

(c) if such Collateral Obligation is a loan obligation or floating rate note, the spread over the applicable reference rate for such Collateral Obligation has been decreased in accordance with the applicable Underlying Instrument since the date the Issuer or the Collateral 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 decrease) 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 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 loan obligation 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

(d) 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 Collateral Obligation is expected to be more than 1.15 times the current year's projected cash flow interest coverage ratio;

(e) the Obligor of such Collateral Obligation has shown improved financial results;

(f) the Obligor of such Collateral Obligation since the date on which such Collateral Obligation was purchased by the Issuer has raised significant equity capital or has raised other capital that has improved the liquidity or credit standing of such Obligor;

(g) such Collateral Obligation has been upgraded or put on a watch list for possible upgrade by either of the Rating Agencies since the date on which such Collateral Obligation was acquired by the Issuer;

(h) if such Collateral Obligation is a loan or a bond, the proceeds which would be received with respect to its disposition (excluding such proceeds that constitute Interest Proceeds) of such loan or bond would be at least 101.00 per cent. of its purchase price; or

(i) if such Collateral Obligation is a Fixed Rate Collateral Obligation, there has been a decrease 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 Collateral Obligation was acquired by the Issuer.

"**Credit Risk Obligation**" means any Collateral Obligation that, in the Collateral Manager's reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events), 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, a Collateral Obligation will qualify as a Credit Risk Obligation for purposes of sales of Collateral Obligations only if (i) the Credit Risk Criteria are satisfied with respect to such Collateral Obligation, (ii) the Controlling Class by Ordinary Resolution votes to treat such Collateral Obligation as a Credit Risk Obligation or (iii) such Collateral Obligation has been downgraded by any Rating

Agency by at least one rating sub-category or has been placed and remains on a watch list for possible downgrade or on negative outlook by either Rating Agency since it was acquired by the Issuer.

"**Credit Risk Criteria**" means the criteria that will be met in respect of a Collateral Obligation if any of the following apply to such Collateral Obligation, as determined by the Collateral Manager in its reasonable discretion (which judgment will not be called into question as a result of subsequent events):

(a) if such Collateral Obligation is a loan obligation or floating rate note, the price of such Collateral Obligation 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 Secured Senior Obligations, 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 Senior 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 Collateral Manager over the same period;

(b) if such Collateral Obligation is a Fixed Rate Collateral Obligation, 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 Collateral Obligation was acquired by the Issuer;

(c) such Collateral Obligation 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 Collateral Obligation was acquired by the Issuer;

(d) if such Collateral Obligation is a Fixed Rate Collateral Obligation which is a bond or security, the price of such Collateral Obligation has changed since the date of purchase by a percentage either at least 1.00 per cent. more negative or at least 1.00 per cent. less positive, as the case may be, than the percentage change in the Eligible Bond Index over the same period, as determined by the Collateral Manager;

(e) if such Collateral Obligation is a loan obligation or floating rate note, the spread over the applicable reference rate for such Collateral Obligation has been increased in accordance with the applicable Underlying Instrument since the date the Issuer or the Collateral 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

(f) 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 Collateral Obligation 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.

"**CRR**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, and published in the Official Journal on 27 June 2013 including any accompanying directive and/or implementing and/or delegated regulation, technical standards and guidance related thereto.

"**Currency Account**" means the accounts in the name of the Issuer held with the Account Bank which shall comprise separate accounts denominated in the relevant currencies of Non-Euro Obligations, into which amounts received in respect of Non-Euro Obligations shall be paid and out of which amounts payable to a Currency Hedge Counterparty pursuant to any Currency Hedge Transaction shall be paid.

"**Currency Hedge Agreement**" means each 1992 ISDA Master Agreement (Multicurrency-Cross Border) or 2002 ISDA Master Agreement (or such other ISDA pro forma Master Agreement as may be published by ISDA from time to time) and the schedule relating thereto which is entered into between

the Issuer and a Currency Hedge Counterparty in order to hedge exchange rate risk arising in connection with any Non-Euro Obligation, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each confirmation entered into thereunder from time to time in respect of a Currency Hedge Transaction, as amended or supplemented from time to time, and including any Replacement Currency Hedge Agreement entered into in replacement thereof.

"**Currency Hedge Counterparty**" means any financial institution with which the Issuer has entered into a Currency Hedge Agreement or any permitted successor or assignee thereof pursuant to the terms of such Currency Hedge Agreement and provided always that such financial institution has the regulatory capacity as a matter of Dutch law to enter into derivatives transactions with Dutch residents.

"**Currency Hedge Issuer Termination Payment**" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination of the applicable Currency Hedge Agreement or Currency Hedge Transaction or in connection with a modification of the applicable Currency Hedge Agreement or Currency Hedge Transaction.

"**Currency Hedge Transaction**" means, in respect of each Non-Euro Obligation, a cross-currency transaction entered into in respect thereof under a Currency Hedge Agreement.

"**Currency Hedge Transaction Exchange Rate**" means the rate of exchange set out in the relevant Currency Hedge Transaction.

"**Current Pay Obligation**" means any Collateral Obligation (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 Collateral Manager believes, in its reasonable business judgment, that:

(a) the Obligor of such Collateral Obligation will continue to make scheduled payments of interest thereon in cash and will pay the principal thereof in cash 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 Collateral Obligation has a Market Value of at least 80 per cent. of its current Principal Balance; and

(d) if any Rated Notes are then rated by Moody's:

  (i) the Collateral Obligation has a Moody's Rating of at least "Caa1" and a Market Value of at least 80 per cent. of its Principal Balance; or

  (ii) the Collateral Obligation has a Moody's Rating of "Caa2" and its Market Value is at least 85 per cent. of its Principal Balance (Market Value being determined without taking into account sub-paragraph (e) of the definition of Market Value).

"**Custody Account**" means the custody account or accounts held and administered outside The Netherlands established on the books of the Custodian in accordance with the provisions of the Agency and Account Bank Agreement, which term shall include each cash account relating to each such Custody Account (if any).

"**Defaulted Currency Hedge Termination Payment**" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination of any Currency Hedge Transaction in respect of which the Currency Hedge Counterparty was either:

(a) the "Defaulting Party" in respect of an "Event of Default" (each as such terms are defined in the applicable Currency Hedge Agreement); or

(b) the sole "Affected Party" in respect of either:

  (i) a "Tax Event Upon Merger"; or

(ii) an "Additional Termination Event" as a result of such Currency Hedge Counterparty failing to comply with the requirements of the Rating Agencies in the event that it (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement,

each such term as defined in the applicable Currency Hedge Agreement,

including any due and unpaid scheduled amounts thereunder.

"**Defaulted Deferring Mezzanine Obligation**" means a Mezzanine Obligation which is a Defaulted Obligation which would also be a Deferring Security (ignoring the exclusion of Defaulted Obligations in the definition of Deferring Security).

"**Defaulted Interest Rate Hedge Termination Payment**" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination of any Interest Rate Hedge Transaction in respect of which the Interest Rate Hedge Counterparty was either:

(a) the "Defaulting Party" in respect of an "Event of Default" (each as such terms are defined in the applicable Interest Rate Hedge Agreement); or

(b) the sole "Affected Party" in respect of either:

(i) a "Tax Event Upon Merger"; or

(ii) an "Additional Termination Event" as a result of such Interest Rate Hedge Counterparty failing to comply with the requirements of the Rating Agencies in the event that it (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement,

each such term as defined in the applicable Interest Rate Hedge Agreement,

including any due and unpaid scheduled amounts thereunder.

"**Defaulted Mezzanine Excess Amounts**" means the lesser of:

(a) the greater of (i) zero and (ii) the aggregate of all recoveries (including by way of sale proceeds) in respect of each Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation, minus the sum of the principal amount of such Mezzanine Obligation outstanding immediately prior to receipt of such amounts plus any Purchased Accrued Interest relating thereto; and

(b) all deferred interest paid in respect of each such Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation minus any Purchased Accrued Interest relating thereto.

"**Defaulted Obligation**" means a Collateral Obligation as determined by the Collateral Manager using reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events):

(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 or waiver or forebearance thereof, provided that in the case of any Collateral Obligation in respect of which the Collateral Manager has confirmed to the Issuer and the Trustee in writing that, to the knowledge of the Collateral Manager, such default has resulted from non credit-related causes, such Collateral Obligation 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 or 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 Collateral Obligation, whether initiated under the

Obligor's local law or otherwise, and, to the knowledge of the Collateral Manager, such proceedings have not been stayed or dismissed;

(c) in respect of which the Collateral Manager knows the Obligor thereunder is in default as to payment of principal and/or interest on another of its obligations (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 both such other obligation and the Collateral Obligation are either (A) both full recourse and unsecured obligations or (B) the other obligation ranks at least *pari passu* with the Collateral Obligation in right of payment without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (other than in the case of a default that in the Collateral Manager's reasonable judgment, as certified to the Issuer and the Trustee in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto, and the holders of such obligation have accelerated the maturity of all or a portion of such obligation; provided that the Collateral Obligation shall constitute a Defaulted Obligation under this clause (c) only until, to the knowledge of the Collateral Manager, such acceleration has been rescinded;

(d) which (i) has a Moody's Rating of "Ca" or "C" or (ii) has a Fitch Rating of "RD" or "D";

(e) in respect of a Collateral Obligation that is a Participation:

(i) the Selling Institution has defaulted in respect of any of its payment obligations under the terms of such Participation after the passage of (in the case of a default that in the Collateral Manager's reasonable judgment, as certified to the Issuer and the Trustee in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto;

(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 "D" or "LD" or had such rating prior to withdrawal of its Moody's Rating or (y) a Fitch Rating of "CC" or below or in either case had such rating prior to withdrawal of its Fitch Rating;

(f) if the Obligor thereof offers holders of such Collateral Obligation a new security, obligation or package of securities or obligations that amount to a diminished financial obligation (such as preferred or common shares, or debt with a lower coupon or par amount) of such Obligor and in the reasonable business judgement of the Collateral 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 (f) 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; or

(g) which is a Deferring Security that has been deferring the payment of the current cash interest due thereon for a period of twelve or more consecutive months (or, in the case of any Deferring Security rated below "Ba1" by Moody's, six or more consecutive months),

provided that (A) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (f) above if such Collateral Obligation (or, in the case of a Participation other than a Letter of Credit, the underlying Collateral Obligation) is a Current Pay Obligation (provided that the aggregate Principal Balance of Current Pay Obligations exceeding 5.0 per cent. of the Collateral Principal Amount will be treated as Defaulted Obligations and, provided further, that 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 Collateral Obligations as of the relevant date of determination shall be deemed to constitute the excess), (B) a Collateral Obligation shall not constitute a Defaulted Obligation if such Collateral Obligation (or, in the case of a Participation, the underlying obligation) is a Corporate Rescue Loan and provided that the Aggregate Principal Balance of Corporate Rescue Loans exceeding 5.0 per cent. of the Collateral Principal Amount 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 Collateral Principal Amount, in each case, will be treated as Defaulted Obligations), and (C) any Collateral Obligation shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of "Defaulted Obligation".

"**Defaulted Obligation Excess Amounts**" means, in respect of a Defaulted Obligation, the greater of (i) zero and (ii) the aggregate of all recoveries (including by way of sale proceeds) 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 immediately prior to receipt of such amounts plus any Purchased Accrued Interest related thereto.

"**Deferred Interest**" has the meaning given thereto in Condition 6(c) (*Deferral of Interest*).

"**Deferred Senior Management Amounts**" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Deferred Subordinated Management Amounts**" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**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: (i) with respect to Collateral Obligations that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive accrual periods or one year; and (ii) with respect to Collateral Obligations that have a Moody's Rating of "Ba1" or below, for the shorter of one accrual 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, fully registered, form.

"**Delayed Drawdown Collateral Obligation**" means a Collateral Obligation that: (a) requires the Issuer 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; and (c) does not permit the re-borrowing of any amount previously repaid; but any such Collateral Obligation will be a Delayed Drawdown Collateral 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, following the occurrence of an Event of Default, eight Business Days prior to the applicable Redemption Date.

"**Discount Obligation**" means any Collateral Obligation that is not a Swapped Non-Discount Obligation and that the Collateral Manager determines:

(a) in the case of a Floating Rate Collateral Obligation, is acquired by the Issuer for a purchase price that is lower than 80 per cent. of the Principal Balance of such Collateral Obligation (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 Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination) of such Collateral Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 90 per cent. of the Principal Balance of such Collateral Obligation; or

(b) in the case of any Fixed Rate Collateral Obligation, is acquired by the Issuer for a purchase price of lower than 75 per cent. of the Principal Balance of such Collateral Obligation (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 Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination) of such Collateral Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 85 per cent. of the Principal Balance of such Collateral Obligation,

provided that if such interest is a Revolving Obligation, the purchase price of such Revolving Obligation for such purpose shall be deemed to include any amounts required to be transferred to the Unfunded Revolver Reserve Account upon acquisition of such Revolving Obligation by the Issuer and provided, further, that a Swapped Non-Discount Obligation will not be considered to be a Discount Obligation.

"**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 Collateral Obligation, any Collateral Enhancement Obligation, any Eligible Investment or any Exchanged Security, 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 Collateral Obligation:

(a) except as provided in clause (b) below, its country of organisation or incorporation; or

(b) the jurisdiction and the country in which, in the Collateral Manager's reasonable judgment, 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 and country known at the time of designation by the Collateral Manager to be the source of the majority of revenues, if any, of such Obligor).

"**Drawdown Date**" has the meaning given thereto in the Liquidity Facility Agreement.

"**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 (or, in the case of the Due Period applicable to the Payment Date which is the Redemption Date of any Note, ending on and including the Business Day preceding such Payment Date).

"**Dutch Ineligible Securities**" means:

(a) all securities or interests in securities which are bearer instruments (*effecten aan toonder*) physically located in The Netherlands or registered shares (*aandelen op naam*) in a Netherlands corporate entity where the Issuer owns such bearer instruments or registered shares directly and in its own name;

(b) all securities or interests in securities, the purchase or acquisition of which by or on behalf of the Issuer would cause the breach of applicable selling or transfer restrictions or of applicable Dutch laws relating to the offering of securities or of collective investment schemes;

(c) shares representing 5 per cent. or more of the nominal paid up share capital of or the voting rights in a corporate entity;

(d) obligations or instruments which are convertible into or exchangeable for shares, rights to acquire shares or derivatives referring to shares, where the shares underlying such obligations, instruments, rights or derivatives, alone or together with any shares held at any time by the Issuer, represent 5 per cent. or more of the nominal paid up share capital of or the voting rights in a corporate entity; or

(e) obligations or instruments which are convertible into or exchangeable for any security falling under paragraph (a) above.

"**EBA**" means the European Banking Authority (formerly known as the Committee of European Banking Supervisors), or any predecessor, successor or replacement agency or authority.

"**Effective Date**" means the earlier of:

(a) the date designated for such purpose by the Collateral Manager by written notice to the Trustee, the Issuer, the Rating Agencies and the Collateral Administrator pursuant to the Collateral Management and Administration Agreement, subject to the Effective Date Determination Requirements having been satisfied; and

(b) the Payment Date falling in April 2014.

"**Effective Date Determination Requirements**" means, as at the Effective Date, 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 the Issuer having acquired or having entered into binding commitments to acquire Collateral Obligations the Aggregate Principal Balance of which equals or exceeds the Target Par Amount by such date (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Obligations subsequent to the Issue Date shall be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its (i) Moody's Collateral Value and (ii) Fitch Collateral Value).

"**Effective Date Moody's Condition**" means a condition satisfied if (a) the Trustee is provided with an accountants' certificate recalculating and comparing each element of the Effective Date Report and (b) Moody's is provided with the Effective Date Report.

"**Effective Date Rating Event**" means:

(a) (i) the Effective Date Determination Requirements not having been satisfied as at the Effective Date (unless Rating Agency Confirmation is received in respect of such failure to satisfy the Effective Date Determination Requirements); and

(ii) either (A) the failure by the Collateral Manager (acting on behalf of the Issuer) to present a Rating Confirmation Plan to the Rating Agencies or, (B) following request therefor from the Collateral Manager, Rating Agency Confirmation has not been obtained for the Rating Confirmation Plan; or

(b) the Effective Date Moody's Condition not being satisfied and, following a request therefor from the Collateral Manager after the Effective Date, Rating Agency Confirmation from Moody's not having been 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 the Rating Agencies shall not constitute an Effective Date Rating Event.

"**Effective Date Report**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Eligibility Criteria**" means the Eligibility Criteria specified in the Collateral Management and Administration Agreement which are required to be satisfied in respect of each Collateral Obligation acquired by the Collateral Manager (on behalf of the Issuer) at the time of entering into a binding commitment to acquire such obligation and in the case of Issue Date Collateral Obligations, the Issue Date.

"**Eligible Bond Index**" means Markit iBoxx EUR High Yield Index or any other index proposed by the Collateral Manager and subject to receipt of Rating Agency Confirmation from Moody's.

"**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 Collateral Manager or an Affiliate of any of them provides services:

(a) direct obligations of, and obligations the timely payment of principal of and interest under 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;

(b) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depository institution (including the Account Bank) or trust company incorporated under the laws of an Eligible Investment Qualifying Country with, in each case, a maturity of no more than 180 days and subject to supervision and examination by governmental banking authorities so long as the commercial paper and/or the debt obligations of such depository 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) at the time of such investment or contractual commitment have a rating of not less than the applicable Eligible Investment Minimum Rating;

(c) subject to receipt of Rating Agency Confirmation from Moody's 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 depository institution or trust company (acting as principal) described in paragraph (b) above or entered into with a corporation (acting as principal) whose debt obligations are rated not less than the applicable Eligible Investment 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 Eligible Investment 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 Investment 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 183 days from their date of issuance;

(f) offshore 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 internationally recognised rating agency, provided that such fund issues shares, units or participations that may be lawfully acquired in the Netherlands; 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; and

(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 Investment Minimum Rating,

and, in each case, such instrument or investment provides for payment of a predetermined fixed amount of principal on maturity that is not subject to change, either (A) has a Collateral Obligation Stated Maturity (giving effect to any applicable grace period) which is the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated at par on demand without penalty, provided, however, that Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes or security purchased at a price in excess of 100 per cent. of par, security whose repayment is subject to substantial non credit related risk (as determined by the Collateral Manager in its discretion) or any Dutch Ineligible Securities.

"**Eligible Investment Minimum Rating**" means:

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

(i) where such commercial paper or debt obligations 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) where such commercial paper or debt obligations have a short-term senior unsecured debt or issuer (as applicable) credit rating, such short-term rating is "P-1" from Moody's and the long-term senior unsecured debt or issuer (as applicable) credit rating is 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 Investment Qualifying Country**" means:

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

(i) 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; or

(ii) any other country, the foreign currency issuer credit rating of which is rated, at the time of acquisition of the relevant Eligible Investment, at least "Aa3" 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 (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 Loan Index**" means the S&P European Leveraged Loan Index or any other index proposed by the Collateral Manager and subject to receipt of Rating Agency Confirmation from Moody's.

"**EMIR**" means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, including any implementing and/or delegated regulation, technical standards and guidance related thereto, as amended or supplemented from time to time.

"**Equity Security**" means any security that by its terms does not provide for periodic payments of interest at a stated coupon rate and repayment of principal at a stated maturity and any other security that is not eligible for purchase by the Issuer as a Collateral Obligation; it being understood that Equity Securities does not include Collateral Enhancement Obligations and Equity Securities may not be purchased by the Issuer but may be received by the Issuer in exchange for a Collateral Obligation or a portion thereof in connection with an insolvency, bankruptcy, reorganisation, debt restructuring or workout of the issuer or obligor thereof, provided it is not a Dutch Ineligible Security.

"**ERISA**" means the United States Employee Retirement Income Security Act of 1974, as amended.

"**EURIBOR**" means the rate determined in accordance with Condition 6(e) (*Interest on the Floating Rate Notes*) as applicable to (i) prior to the commencement of a Frequency Switch Period, three month Euro deposits, (ii) after the commencement of a Frequency Switch Period, 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 July, three month Euro deposits) and (iii) in the case of the initial Accrual Period, as determined pursuant to a straight line interpolation of the rates applicable to three and six month Euro deposits.

"**Euro**", "**Euros**", "**euro**" and "**€**" means the lawful currency of the Member States of the European Union 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 or states ceases to have such single currency as its lawful currency (such member state(s) being the "**Exiting State(s)**"), the euro shall, for the avoidance of doubt, mean for all purposes 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).

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

"**Euroclear Security Agreement**" means a Euroclear security agreement dated on or about the Issue Date between, *inter alios*, the Issuer and the Trustee as may be amended, replaced or supplemented from time to time.

"**Euro zone**" means the region comprised of Member States of the European Union that have adopted the single currency in accordance with the Treaty on the Functioning of the European Union, as amended.

"**Event of Default**" means each of the events defined as such in Condition 10(a) (*Events of Default*).

"**Excess CCC/Caa 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 Collateral Obligations included in the CCC/Caa Excess; over

(b) the aggregate for all Collateral Obligations included in the CCC/Caa Excess of the product of (i) the Market Value and (ii) the Principal Balance, in each case of such Collateral Obligation.

"**Exchange Act**" means the United States Exchange Act of 1934, as amended.

"**Exchanged Security**" means any of (a) an equity security which is not a Collateral Enhancement Obligation and which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received by the Issuer as a result of restructuring of the terms in effect as of the later of the Issue Date or date of issuance of the relevant Collateral Obligation and (b) a Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor which, in each case, may be effected by way of a "cashless roll") which does not satisfy the Restructured Obligation Criteria on the Restructuring Date and which is not a Dutch Ineligible Security.

"**Expense Reserve Account**" means an interest bearing account in the name of the Issuer so entitled and held by 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 through 1474 of the Code, any final current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any U.S. or non-U.S. fiscal or regulatory legislation, rules or practices adopted pursuant to any

intergovernmental agreement entered into in connection with either the implementation of such Sections of the Code or analogous provisions of non-U.S. law.

"**FATCA Compliance**" means compliance with FATCA and any related provisions of law, court decisions, or administrative guidance, including the Issuer entering into and complying with an agreement with a taxing authority pursuant thereto or otherwise meeting the requirements of Section 1471(b) of the Code.

"**FATCA Compliance Costs**" means the aggregate cumulative costs of the Issuer of achieving FATCA Compliance, including the fees and expenses of the Collateral Manager and any other agent or appointee appointed by or on behalf of the Issuer in respect of the Issuer's FATCA Compliance.

"**First Period Reserve Account**" means the interest bearing account described as such in the name of the issuer with the Account Bank.

"**Fitch**" means Fitch Ratings Limited or any successor or successors thereto.

"**Fitch Collateral Value**" means, in the case of any Collateral Obligation or Eligible Investment, the lower of:

(a) its prevailing Market Value; and

(b) the relevant Fitch Recovery Rate,

multiplied by its Principal Balance, provided that if the Market Value cannot be determined for any reason, the Fitch Collateral Value shall be determined in accordance with paragraph (b) above.

"**Fitch Rating**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fitch Recovery Rate**" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Fitch.

"**Fitch Test Matrix**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fixed Rate Collateral Obligation**" means any Collateral Obligation that bears a fixed rate of interest.

"**Floating Rate Collateral Obligation**" means any Collateral Obligation that bears a floating rate of interest.

"**Floating Rate Notes**" means the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, Class D Notes and the Class E Notes.

"**Floating Rate of Interest**" has the meaning given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

"**Form Approved Hedge**" means either (i) an Interest Rate Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn and (in each case save for the amount and timing of periodic payments, the name of the Collateral Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies) or (ii) a Currency Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn (in each case save for the amount and timing of periodic payments, the name of the Non-Euro Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies).

"**Foundation**" means Stichting Grosvenor Place CLO 2013-1, a foundation (*stichting*) established under the laws of The Netherlands.

"**Frequency Switch Period**" means any period from (and including) the Business Day immediately following the Liquidity Facility Commitment Period End Date, if any of the Rated Notes are Outstanding and no Replacement Liquidity Facility is in place.

"**Funded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral 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.

"**Global Exchange Market**" means the Global Exchange Market of the Irish Stock Exchange.

"**Hedge Agreement**" means any Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable) and "Hedge Agreements" means any of them.

"**Hedge Counterparty**" means any Interest Rate Hedge Counterparty or Currency Hedge Counterparty (as applicable) and "**Hedge Counterparties**" means any of them and provided always that such financial institution has the regulatory capacity as a matter of Dutch law to enter into derivatives transactions with Dutch residents.

"**Hedge Counterparty Termination Payment**" means the amount payable by a Hedge Counterparty to the Issuer upon termination of a Hedge Transaction (in whole or in part), but excluding any due and unpaid scheduled amounts payable thereunder.

"**Hedge Issuer Tax Credit Payments**" means any amounts payable by the Issuer to a Hedge Counterparty pursuant to the terms of a Hedge Agreement in connection with any credit against, relief or remission for, or repayment of, any tax that has been obtained or utilised by the Issuer and which is attributable to a grossed up payment made by that Hedge Counterparty as a result of or in connection with any required withholding or deduction for or on account of any tax (or to such withholding or deduction itself) (but excluding, for the avoidance of doubt, any Hedge Issuer Termination Payments).

"**Hedge Issuer Termination Payment**" means the amount payable by the Issuer to a Hedge Counterparty upon termination of a Hedge Transaction, but excluding any due and unpaid scheduled amounts payable thereunder.

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

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

"**Hedge Termination Account**" means in respect of any Hedge Agreement the interest bearing account of the Issuer with the Account Bank into which all Hedge Counterparty Termination Payments and Hedge Replacement Receipts relating to that Hedge Agreement will be deposited.

"**Hedge Transaction**" means any Interest Rate Hedge Transaction or any Currency Hedge Transaction (as applicable) and "**Hedge Transactions**" means any of them.

"**Hedging Condition**" means, with respect to a Hedge Transaction, either (a) the Collateral Manager is satisfied that, at the time such Hedge Transaction is entered into by the Issuer, such Hedge Transaction complies with the U.S. Commodity Futures Trading Commission ("**CFTC**") interpretation concerning securitisation vehicle exemption from the definition of "commodity pool" or (b) the Collateral Manager obtains legal advice of reputable legal counsel that such Hedge Transaction will not cause the Issuer or the Collateral Manager to be required to register as a "commodity pool operator" with the CFTC with respect to the Issuer.

"**High Yield Bond**" means a Collateral Obligation that is a debt security which, on acquisition by the Issuer, is a high yielding debt security as determined by the Collateral 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.

"**Incentive Collateral Management Fee**" means the fee payable to the Collateral Manager pursuant to the Collateral Management and Administration Agreement in an amount, as determined by the Collateral Administrator, equal to the amount specified at paragraph (CC) of the Interest Priority of Payments, paragraph (S) of the Principal Priority of Payments and paragraph (Y) of the Post Acceleration Priority of Payments (exclusive of any value added tax thereon whether payable to the Collateral Manager or any appropriate taxing authority) provided that such amount will only be payable to the Collateral Manager if the Incentive Collateral Management Fee IRR Threshold has been reached and shall exclude any value added tax payable thereon.

"**Incentive Collateral Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date if the Outstanding Subordinated Notes have received an annualised internal rate of return (computed using the "XIRR" function in Microsoft® Excel or an equivalent function in another software package 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) of at least 12 per cent. on the Principal Amount Outstanding of the Subordinated Notes as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date).

"**Initial Drawdown**" means the aggregate amounts that the Issuer has drawn in accordance with the terms of the Liquidity Facility Agreement for the payment of any shortfall in the amount of Interest Proceeds and thereafter Principal Proceeds available to pay Interest Amounts due and payable on any Payment Date in respect of each Class of Rated Notes (provided each applicable Coverage Test senior to the payment of Interest Amounts in respect of such Class is satisfied on the relevant Determination Date) pursuant to the Priorities of Payments on such Payment Date.

"**Initial Investment Period**" means the period from, and including, the Issue Date to, but excluding, the Effective Date.

"**Initial Purchaser**" means Deutsche Bank AG, London Branch.

"**Initial Ratings**" means in respect of any Class of Notes and any Rating Agency, the ratings (if any) assigned to such Class of Notes by such Rating Agency as at the Issue Date and "**Initial Rating**" means each such rating.

"**Interest Account**" means an interest bearing account described as such in the name of the Issuer with the Account Bank into which Interest Proceeds are to be paid.

"**Interest Amount**" has the meaning specified in Condition 6(e) (*Interest on the Floating Rate Notes*).

"**Interest Coverage Amount**" means, on any particular Measurement Date (without double counting), the sum of:

(a) the Balance standing to the credit of the Interest Account;

(b) plus the scheduled interest payments (and any commitment fees due but not yet received in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations) due but not yet received (in each case regardless of whether the applicable due date has yet occurred) in the Due Period in which such Measurement Date occurs on the Collateral Obligations (which in the case of each Non-Euro Obligation shall be deemed to be converted into Euro at the applicable Currency Hedge Transaction Exchange Rate for the related Currency Hedge Transaction) excluding:

(i) accrued and unpaid interest on Defaulted Obligations or Deferring Securities;

(ii) interest on any Collateral Obligation to the extent that such Collateral Obligation 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 Collateral Obligation;

(iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes and is not expected to be grossed up;

(v) any scheduled interest payments as to which the Issuer or the Collateral Manager has actual knowledge that such payment will not be made; and

(vi) any Purchased Accrued Interest;

(c) minus the amounts payable pursuant to paragraphs (A) through to (G) of the Interest Priority of Payments on the following Payment Date;

(d) plus any amounts that would be payable from the Expense Reserve Account and/or the First Period Reserve Account and/or the Currency Account to the Interest Account in the Due Period relating to the first Payment Date (without double counting any such amounts which have been already transferred to the Interest Account);

(e) plus any Scheduled Periodic Hedge Counterparty Payments payable to the Issuer under any Interest Rate Hedge Transaction or Currency Hedge Transaction (as determined by the Issuer with the reasonable assistance of the Collateral Manager) to the extent not already included in accordance with (b) above;

(f) 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 (b)(ii) or (iii) above); and

(g) plus Accrued Collateral Obligation Interest to the extent not scheduled to be paid on any Collateral Obligation during the Due Period in which such Measurement Date falls up to an aggregate amount equal to the Available Commitment capable of being drawn by the Issuer as a Liquidity Drawing in accordance with and subject to the Liquidity Facility Agreement applicable to the next following Payment Date but excluding any such Accrued Collateral Obligation Interest to the extent that a Liquidity Drawing has already been made in respect thereof under the Liquidity Facility Agreement to the extent not repaid in full.

For the purposes of calculating any Interest Coverage Amount, the expected or scheduled interest income on Floating Rate Collateral Obligations 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 Interest Coverage Ratio and the Class B Interest Coverage Ratio. For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the relevant Rated Notes will be calculated using the then current interest rates applicable thereto.

"**Interest Coverage Test**" means the Class A Interest Coverage Test, the Class B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test.

"**Interest Determination Date**" means the second Business Day prior to the commencement of each Accrual Period. For the avoidance of doubt, in respect of the Issue Date, the Calculation Agent will determine the offered rate pursuant to a straight line interpolation of the rates applicable to three and six month Euro deposits on the Issue Date but such offered rate shall be calculated as of the second Business Day prior to the Issue Date.

"**Intermediary Obligation**" means an interest in relation to a loan which is structured to be acquired indirectly by lenders therein at or prior to primary syndication thereof, including pursuant to a collateralised deposit or guarantee, a sub-participation or other arrangement which has the same commercial effect and in each case, in respect of any obligation of the lender to a "fronting bank" in respect of non-payment by the Obligor, is 100 per cent. collateralised by such lenders.

"**Interest Priority of Payments**" means the priorities of payments in respect of Interest Proceeds set out in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Interest Proceeds**" means all amounts 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 1992 ISDA Master Agreement (Multicurrency-Cross Border) or 2002 ISDA Master Agreement (or such other ISDA pro forma Master Agreement as may be published by ISDA from time to time) and the schedule relating thereto which is entered into between the Issuer and an Interest Rate Hedge Counterparty, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each confirmation entered into thereunder from time to time in respect of a Interest Rate Hedge Transaction, as amended or supplemented from time to time and including any Replacement Interest Rate Hedge Agreement entered into in replacement thereof.

"**Interest Rate Hedge Counterparty**" means each financial institution with which the Issuer enters into an Interest Rate Hedge Agreement or any permitted assignee or successor under any Interest Rate Hedge Agreement which, in each case, satisfies the applicable Required Ratings (as defined in the relevant Hedge Agreement) upon the date of entry into such agreement (or in respect of which Rating Agency Confirmation has been obtained on such date) and provided always that such financial institution has the regulatory capacity as a matter of Dutch law to enter into derivatives transactions with Dutch residents.

"**Interest Rate Hedge Issuer Termination Payment**" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination of the applicable Interest Rate Hedge Agreement (in whole) or Interest Rate Hedge Transaction (in whole or in part) or in connection with a modification of the applicable Interest Rate Hedge Agreement or Interest Rate Hedge Transaction.

"**Interest Rate Hedge Transaction**" means each interest rate protection transaction entered into under an Interest Rate Hedge Agreement which may be an interest rate swap, an interest rate cap or an interest rate floor transaction.

"**Investment Company Act**" means the United States Investment Company Act of 1940, as amended.

"**IRS**" means the United States Internal Revenue Service or any successor thereto.

"**Issue Date**" means 5 December 2013 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Initial Purchaser and the Collateral Manager and is notified to the Trustee, the Collateral Administrator and the Noteholders in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange).

"**Issue Date Collateral Obligation**" means an obligation for which the Issuer (or the Collateral Manager, acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Issue Date, including pursuant to the Warehouse Arrangements.

"**Issuer Dutch Account**" means the account in the name of the Issuer established in The Netherlands for the purposes of, inter alia, holding the proceeds of the issued share capital of the Issuer and any Issuer Profit Amounts.

"**Issuer Profit Amount**" means the minimum profit to be retained by the Issuer for Dutch tax purposes as agreed in the profit confirmation letter between the Issuer and the Collateral Manager.

"**Letter of Undertaking**" means the letter of undertaking from, amongst others, the Issuer and its Managing Directors to the Initial Purchaser, the Collateral Manager and the Trustee.

"**Letters of Credit**" means contracts under which a bank, at the request of a buyer on the sale of specific goods, agrees to pay the beneficiary on the sale contract (such party being the seller in connection with the sale of specific goods), a certain amount against the presentation of specified documents relating to those goods.

"**Liquidity Drawing**" means a loan made or to be made under the Liquidity Facility Agreement or deemed to be made under the Liquidity Facility Agreement including any Initial Drawdown and/or any Subsequent Drawdown.

"**Liquidity Facility**" means the liquidity facility granted by the Liquidity Facility Provider to the Issuer pursuant to the Liquidity Facility Agreement.

"**Liquidity Facility Agreement**" means an agreement dated the Issue Date between, amongst others, the Issuer, the Collateral Manager and the Liquidity Facility Provider.

"**Liquidity Facility Commitment Fee Amounts**" means all and any commitment fees accrued and payable on the Available Commitment or any Prefunded Commitment, in each case without duplication and in accordance with the Liquidity Facility Agreement.

"**Liquidity Facility Commitment Period**" means the period from (and including) the Issue Date to (but excluding) the Liquidity Facility Commitment Period End Date.

"**Liquidity Facility Commitment Period End Date**" means the earliest of:

(a) the Payment Date falling on or about October 2017, subject to renewal of the Liquidity Facility Commitment Period for one or two additional one year periods in accordance with the Liquidity Facility Agreement;

(b) the date on which the Class A-1 Notes and the Class A-2 Notes are redeemed in full and cancelled; and

(c) the date on which the Liquidity Facility is cancelled in its entirety in accordance with its terms,

or in each case, if such day is not a Business Day, the Business Day immediately prior to such day.

"**Liquidity Facility Interest Amounts**" means all interest accrued and payable on any Liquidity Drawing in accordance with the Liquidity Facility Agreement but excluding, for the avoidance of doubt, any interest accrued on the Prefunded Commitment standing to the credit of the Prefunded Commitment Account.

"**Liquidity Facility Provider**" means Deutsche Bank AG, London Branch in its capacity as the liquidity facility provider under the Liquidity Facility Agreement or such other person who may from time to time act as the liquidity facility provider under the Liquidity Facility Agreement.

"**Maintenance Covenant**" means a covenant by any Obligor to comply with one or more financial covenants during each reporting period (but not more frequently than quarterly), whether or not such Obligor has taken any specified action; provided that a covenant that otherwise satisfies the definition hereof and only applies when amounts are outstanding under the related loan shall be a Maintenance Covenant.

"**Managing Directors**" means Mr. H.P.C. Mourits, Mr. A. Weglau and Mr. S.E.J. Ruigrok or such person(s) who may be appointed as Managing Director(s) of the Issuer from time to time.

"**Mandatory Redemption**" means a redemption of the Notes pursuant to and in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

"**Market Value**" means, in respect of a Collateral Obligation (expressed as a percentage of the Principal Balance in respect thereof) on any date of determination and as provided by the Collateral Manager to the Collateral Administrator:

(a) the bid price of such Collateral Obligation determined by an independent recognised pricing service; or

(b) if such independent recognised pricing service is not available, the mean of the bid prices determined by three independent broker-dealers active in the trading of such Collateral Obligations; or

(c) if three such broker-dealer prices are not available, the lower of the bid side prices determined by two such broker-dealers in respect of such Collateral Obligation; 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 Collateral Manager pursuant to (e) hereafter would be lower) of such Collateral Obligation; or

(e) if the determinations of such broker-dealers or independent recognised pricing service are not available, then the fair market value thereof determined by the Collateral 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 however that:

(i) 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 Collateral Manager;

(ii) where the Market Value is determined by the Collateral Manager in accordance with the above provisions, 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; and

(iii) where the Market Value of a Discount Obligation is to be determined by the Collateral Manager in accordance with paragraph (e) above, such Market Value shall be deemed to be zero.

"**Maturity Amendment**" means with respect to any Collateral Obligation, any waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of such Collateral Obligation (whether by way of amendment and restatement of the existing facility or novation or substitution on substantially the same terms save for the maturity amendment). For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of the credit facility of which a Collateral Obligation is part, but would not extend the Collateral Obligation Stated Maturity of the Collateral Obligation held by the Issuer, does not constitute a Maturity Amendment.

"**Maturity Date**" means the Payment Date falling in October 2026.

"**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 Collateral Obligation 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 five Business Days') notice, any Business Day requested by any Rating Agency then rating any Class of Notes Outstanding.

"**Mezzanine Obligation**" means a mezzanine loan obligation or other comparable debt obligation, including any such loan obligation with attached warrants and any such obligation which is evidenced by an issue of notes (other than High Yield Bonds), as determined by the Collateral Manager in its reasonable business judgment, or a Participation therein.

"**Minimum Denomination**" means:

(a) in the case of the Regulation S Notes of each Class, €100,000;

(b) in the case of the Rule 144A Notes of each Class other than the Class D Notes, €250,000; and

(c) in the case of Class D Notes issued in the form of Rule 144A Notes, €150,000.

"**Monthly Report**" means the monthly report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on such dates as are set forth in the Collateral Management and Administration Agreement, which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Management and Administration Agreement made available via a secured website currently located at https://tss.sfs.db.com/investpublic which shall be accessible to the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider, the Hedge Counterparties 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.

"Moody's" means Moody's Investors Service, Ltd. and any successor or successors thereto.

"**Moody's Collateral Value**" means, in the case of any Collateral Obligation or Eligible Investment, the lower of:

(a) its prevailing Market Value; and

(b) the relevant Moody's Recovery Rate,

multiplied by its Principal Balance, provided that if the Market Value cannot be determined for any reason, the Moody's Collateral Value shall be determined in accordance with paragraph (b) above.

"**Moody's Rating**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Moody's Recovery Rate**" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Moody's.

"**Moody's Test Matrix**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding, the Payment Date falling in October 2015.

"**Non-Eligible Issue Date Collateral Obligation**" means any Issue Date Collateral Obligations which do not comply with the Eligibility Criteria on the Issue Date.

"**Non-Emerging Market Country**" means 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 (provided that, in the case of Moody's, such country has a local currency country bond ceiling rating, at the time of acquisition of the relevant Collateral Obligation, of at least "Baa3" by Moody's) and any other country, the local currency country bond ceiling of which is rated, at the time of acquisition of the relevant Collateral Obligation, at least "A3" by Moody's and the foreign currency country issuer rating of which is rated, at the time of acquisition of the relevant Collateral Obligation, at least "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 Collateral Obligation, Rating Agency Confirmation is received.

"**Non-Euro Obligation**" means any Collateral Obligation, or part thereof, as applicable, denominated in a currency other than Euro.

"**Note Payment Sequence**" means the application of Interest Proceeds or Principal Proceeds, as applicable, in accordance with the relevant Priorities of Payments in the following order:

(a) *firstly*, to the redemption of the Class A-1 Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class A-1 Notes have been fully redeemed;

(b) *secondly*, to the redemption of the Class A-2 Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class A-2 Notes have been fully redeemed;

(c) *thirdly*, to the redemption of the Class B Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class B Notes have been fully redeemed;

(d) *fourthly*, 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;

(e) *fifthly*, 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; and

(f) *sixthly*, 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,

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following breach of any Coverage Test, the Note Payment Sequence shall terminate immediately after the paragraph above that refers to the Class of Notes to which such Coverage Test relates.

"**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, procedure or judicial decision or interpretation (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 Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and/or the Subordinated Notes becoming subject to any withholding tax other than:

  (i) a payment in respect of Deferred Interest becoming subject to any withholding tax; and

  (ii) by reason of the failure by the relevant Noteholder or beneficial owner 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 The Netherlands, the United States or other applicable taxing authority; or

(b) United Kingdom or U.S. state or federal tax authorities impose net income, profits or similar tax upon the Issuer.

"**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, and "holder" (in respect of the Notes) shall be construed accordingly.

"**Obligor**" means, in respect of a Collateral Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Collateral Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Collateral Obligation, (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 (whether by way of amendment and restatement of the existing facility, novation or substitution), (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 or (c) any offer or consent request with respect to a Maturity Amendment.

"**Offering Circular**" means the offering circular relating to the offer and sale of the Notes dated 5 December 2013.

"**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.

"**Other Plan Law**" means any federal, state, local or non-U.S. law or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"**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 Par Value Ratio, Class B Par Value Ratio, Class C Par Value Ratio or the Class D Par Value Ratio (as applicable).

"**Par Value Test**" means the Class A Par Value Test, Class B Par Value Test, Class C Par Value Test or the Class D Par Value Test (as applicable).

"**Participation**" means an interest in a Collateral Obligation acquired indirectly by the Issuer by way of participation from a Selling Institution which shall include, for the purposes of the Bivariate Risk Table set forth in the Collateral Management and Administration Agreement, Intermediary Obligations.

"**Participation Agreement**" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"**Paying Agent**" means the Principal Paying Agent or the U.S. Paying Agent.

"**Payment Account**" means the account described as such in the name of the Issuer held with the Account Bank to which amounts shall be transferred by the Account Bank on the instructions of the Collateral Administrator on the Business Day prior to each Payment Date out of certain of the other Accounts in accordance with Condition 3(i) (*Accounts*) and out of which the amounts required to be paid on each Payment Date pursuant to the Priorities of Payments shall be paid.

"**Payment Date**" means (i) 20 January, 20 April, 20 July and 20 October at any time prior to the commencement of a Frequency Switch Period, and (ii) (A) 20 January and 20 July (where the Payment Date immediately prior to the commencement of the Frequency Switch Period is either 20 January or 20 July) or (B) 20 April or 20 October (where the Payment Date immediately prior to the commencement of the Frequency Switch Period is either 20 April or 20 October), and in each case, in each year commencing on 20 April 2014 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 (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Payment Date Report**" means the report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer not later than the Business Day preceding the related Payment Date and made available via a secured website currently located at https://tss.sfs.db.com/investpublic which shall be accessible to the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider, the Hedge Counterparties 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.

"**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 subdivision thereof.

"**PIK Security**" means any Collateral Obligation which is a security, the terms of which permit the deferral of the payment of interest thereon, including without limitation by way of interest capitalising on such security as principal thereon but excluding current cash interest, provided that, for the avoidance of doubt, Mezzanine Obligations shall not constitute PIK Securities.

"**Plan Asset Regulation**" means 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, as they may be amended or modified.

"**Portfolio**" means the Collateral Obligations, 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 Profile Tests**" means the Portfolio Profile Tests each as defined in the Collateral Management and Administration Agreement.

"**Post-Acceleration Priority of Payments**" means the priority of payments set out in Condition 11 (*Enforcement*).

"**Prefunded Commitment**" means, with respect to the Liquidity Facility Provider and as of any date of determination, the amount standing to the credit of the Prefunded Commitment Account (other than amounts in respect of interest) on behalf of the Liquidity Facility Provider as of such date.

"**Prefunded Commitment Account**" means the account of the Issuer with the Account Bank into which the Liquidity Facility Provider is required to pay any Prefunded Commitment in accordance with the terms of the Liquidity Facility Agreement.

"**Prefunded Commitment Utilisation**" means a drawing by the Issuer of the Prefunded Commitment in accordance with the terms of the Liquidity Facility Agreement.

"**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 the place in which the account specified by the payee is located.

"**Principal Account**" means the account described as such in the name of the Issuer with the Account Bank.

"**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 B Notes, the Class C Notes, the Class D Notes and the Class E 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 B Notes, Class C Notes, Class D Notes and Class E 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 Collateral Obligation, Eligible Investment, Collateral Enhancement Obligation, Equity Security 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, with respect to a Mezzanine Obligation and a PIK Security, any such interest

capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Security), provided however that:

(a) the Principal Balance of any Revolving Obligation and Delayed Drawdown Collateral Obligation as of any date of determination, shall be the outstanding principal amount of such Revolving Obligation or Delayed Drawdown Collateral Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Obligation or Delayed Drawdown Collateral Obligation;

(b) the Principal Balance of each Equity Security, Exchanged Security and each Collateral Enhancement Obligation, shall be deemed to be zero;

(c) the Principal Balance of (i) any Non-Euro Obligation subject to a Currency Hedge Transaction shall be an amount equal to the Euro equivalent of the outstanding principal amount of the reference Non-Euro Obligation, converted into Euro at the Currency Hedge Transaction Exchange Rate and (ii) any Non-Euro Obligation which is not subject to a Currency Hedge Transaction shall be an amount equal to 30 per cent. of the Euro equivalent of the outstanding principal amount of the reference Non-Euro Obligation, converted into Euro at the Spot Rate; and

(d) the Principal Balance of any cash shall be the amount of such cash, and cash in any currency other than Euros (save for amounts which are standing to the credit of the Currency Account) shall be converted into Euros at the Spot Rate.

"**Principal Priority of Payments**" means the priority of payments in respect of Principal Proceeds set out in Condition 3(c)(ii) (*Application of Principal Proceeds*).

"**Principal Proceeds**" means all amounts payable out of, paid out of, payable into or paid into the Principal Account from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) or Condition 11(b) (*Enforcement*). For the avoidance of doubt, amounts received as principal proceeds in connection with an Offer for the exchange of a Collateral Obligation for a new or novated obligation or substitute obligation will not constitute Principal Proceeds and will not be deposited into the Principal Account to the extent such principal proceeds are required to be applied as consideration for the new or novated obligation or substitute obligation (subject to the Restructured Obligation Criteria being satisfied).

"**Priorities of Payments**" means:

(a) save for (i) in connection with any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*), (ii) in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption following Note Tax Event*) or (iii) following the effectiveness of an Acceleration Notice (deemed or otherwise) which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), in the case of Interest Proceeds, the Interest Priority of Payments and, in the case of Principal Proceeds, the Principal Priority of Payments; and

(b) in the event of any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) or following the effectiveness of an Acceleration Notice which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), the Post-Acceleration Priority of Payments.

"**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 Collateral Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (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 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.

"**QIB/QP**" means a Person who is both a QIB and a QP.

"**Qualified Purchaser**" and "**QP**" mean a Person who is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act.

"**Rated Notes**" means the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"**Rating Agencies**" means Fitch and Moody's, provided that if at any time Fitch and/or Moody's 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 (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 Collateral Management and Administration 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 (i) such Rating Agency has declined a request from the Trustee, the Collateral Manager 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 (ii) such Rating Agency announces (publicly or otherwise) or confirms to the Trustee, the Collateral Manager 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 (iii) such Rating Agency has ceased to engage in the business of providing ratings or has made a public statement to the effect that it will no longer review events or circumstances of the type requiring a Rating Agency Confirmation under any Transaction Document or these Conditions for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by such Rating Agency.

"**Rating Confirmation Plan**" means a plan provided by the Collateral Manager (acting on behalf of the Issuer) to the Rating Agencies setting forth the intended timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, as further described and as defined in the Collateral Management and Administration Agreement.

"**Rating Event**" means, at any time, the reduction or withdrawal of any of the ratings then assigned to the Rated Notes by a Rating Agency.

"**Rating Requirement**" means:

(a) in the case of the Account Bank:

(i) a long-term issuer default rating of at least "A" and a short-term issuer default rating of at least "F1" by Fitch; and

(ii) a long-term senior unsecured issuer credit rating of at least "A2" by Moody's and a short-term senior unsecured issuer credit rating of at least "P-1" by Moody's;

(b) in the case of the Custodian or any sub-custodian appointed thereby:

(i) a long-term issuer default rating of at least "A" and a short-term issuer default rating of at least "F1" by Fitch; and

(ii) a long-term senior unsecured issuer credit rating of at least "A2" by Moody's and a short-term senior unsecured issuer credit rating of "P-1" by Moody's;

(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 with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table; and

(e) in the case of the Liquidity Facility Provider:

(i) a long-term issuer default rating of at least "A" and a short-term issuer default rating of at least "F1" by Fitch; and

(ii) a long-term senior unsecured issuer credit rating of at least "A2" by Moody's and a short-term senior unsecured issuer credit rating of at least "P-1" 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, or (y) if any of the 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.

"**Record Date**" means the fifteenth day before the relevant due date for payment of principal and interest in respect of such Note.

"**Redemption Date**" means each date specified for a redemption of the Notes of a Class pursuant to Condition 7 (*Redemption and Purchase*) or, if such day is not a Business Day, the next following Business Day or the date on which the Notes of such Class are accelerated pursuant to Condition 10 (*Events of Default*).

"**Redemption Determination Date**" has the meaning given thereto in Condition 7(b)(v) (*Optional Redemption effected through Liquidation only*).

"**Redemption Notice**" means a redemption notice 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 (calculated in accordance with paragraph (CC) of the Interest Priority of Payments, paragraph (S) of the Principal Priority of Payments and paragraph (Y) of the Post-Acceleration Priority of Payments) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payments; and

(b) any Class A-1 Note, Class A-2 Note, Class B Note, Class C Note or Class D Note or Class E Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with any accrued and unpaid interest in respect thereof to the relevant day of redemption and in respect of the Class B Notes, Class C Notes, the Class D Notes and the Class E Notes, any Deferred Interest.

"**Redemption Threshold Amount**" means the aggregate of all amounts which (to the extent such amounts are ascertainable by the Collateral Administrator or have been provided to the Collateral Administrator by the Issuer, the Collateral Manager or any other Secured Party) would be due and payable on redemption of the Rated Notes on the scheduled Redemption Date which rank in priority to

payments in respect of the Subordinated Notes in accordance with the Post-Acceleration Priority of Payments.

"**Reference Banks**" has the meaning given thereto in paragraph (2) of Condition 6(e)(i) (*Floating Rate of Interest*).

"**Refinancing**" has the meaning given to it in Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*).

"**Refinancing Costs**" means the fees, costs, charges and expenses incurred by or on behalf of the Issuer in respect of a Refinancing, provided that such fees, costs, charges and expenses have been incurred as a direct result of a Refinancing, as determined by the Collateral Manager.

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency and Account Bank Agreement.

"**Regulated Activities**" means any investment management business in The Netherlands.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to non-U.S. Persons outside of the United States in reliance on Regulation S.

"**Reinvestment Criteria**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Reinvestment Overcollateralisation 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 D Par Value Ratio is at least equal to 109.2 per cent.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (i) the end of the Due Period preceding the Payment Date falling in October 2017 or, if such day is not a Business Day, the immediately following Business Day; (ii) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that any related Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of Default*)); and (iii) the date on which the Collateral Manager reasonably believes and notifies the Issuer, the Collateral Administrator, the Rating Agencies and the Trustee that it can no longer reinvest in additional Collateral Obligations in accordance with the Reinvestment Criteria.

"**Repayment Date**" means, in respect of any Liquidity Drawing, the second Payment Date following the applicable Drawdown Date in respect of such Liquidity Drawing, as further described in the Liquidity Facility Agreement.

"**Replacement Currency Hedge Agreement**" means any Currency Hedge Agreement entered into by the Issuer upon termination of an existing Currency Hedge Agreement on substantially the same terms as such existing Currency Hedge Agreement, that preserves for the Issuer the economic effect of the terminated Currency Hedge Agreement and all Currency Hedge Transactions thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Replacement Hedge Agreements**" means each Replacement Currency Hedge Agreement and each Replacement Interest Rate Hedge Agreement and "Replacement Hedge Agreement" means any of them.

"**Replacement Hedge Transaction**" means any replacement Interest Rate Hedge Transaction or Currency Hedge Transaction entered into under a Replacement Interest Rate Hedge Agreement or Replacement Currency Hedge Agreement (as applicable) (or under another existing Interest Rate Hedge Agreement or Currency Hedge Agreement with another Hedge Counterparty) in respect of the relevant terminated Interest Rate Hedge Transactions or Currency Hedge Transactions under the relevant terminated Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable).

"**Replacement Interest Rate Hedge Agreement**" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement in full on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Hedge Transactions outstanding thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Replacement Liquidity Facility**" means a replacement liquidity facility granted pursuant to a liquidity facility agreement in, or substantially in, the same form as the Liquidity Facility Agreement entered into at any time following the Liquidity Facility Commitment Period End Date between, amongst others, the Issuer, the Collateral Manager and a liquidity facility provider that satisfies the Rating Requirement, provided that the commitment period in respect thereof ends on a Payment Date applicable during a Frequency Switch Period.

"**Report**" means each Monthly Report and Payment Date Report.

"**Resolution**" means any Ordinary Resolution, Extraordinary Resolution or Unanimous Resolution, as the context may require.

"**Restricted Trading Period**" means the period during which (i) (a) the Fitch rating of the Class A-1 Notes or the Class A-2 Notes is withdrawn (and not reinstated) or is one or more sub categories below its rating on the Issue Date, provided the Class A-1 Notes or the Class A-2 Notes are Outstanding; or (b) the Moody's rating of the Class A-1 Notes or the Class A-2 Notes is withdrawn (and not reinstated) or is one or more sub categories below its rating on the Issue Date, provided the Class A-1 Notes or the Class A-2 Notes are Outstanding or (ii) after giving effect to any sale (and any related reinvestment) or purchase of the relevant Collateral Obligations, the aggregate outstanding principal balance of the Collateral Obligations (excluding the Collateral Obligation 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; provided that in each case that 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 Collateral Obligation 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 Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (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.

"**Restructured Obligation Criteria**" means the restructured obligation criteria specified in the Collateral Management and Administration 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 Collateral Obligation becomes binding on the holders thereof provided 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 Holder**" means CQS Investment Management Limited in its capacity as initial Retention Holder and any successor, assign or transferee to the extent permitted under the Risk Retention Letter and Article 122a.

"**Retention Notes**" means the Notes of each Class purchased by the Retention Holder on the Issue Date and comprising as at the Issue Date, not less than 5 per cent of the nominal value for each such Class.

"**Retention Requirements**" means the CRD Retention Requirements and the AIFMD Retention Requirements.

"**Revolving Obligation**" means any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines and Letter of Credit facilities, 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 Issuer; but any such Collateral Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"**Rule 144A**" means Rule 144A of 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 of the Exchange Act.

"**Sale Proceeds**" means:

(a) all proceeds received upon the sale of any Collateral Obligation or Exchanged Security (other than any Non-Euro Obligation with a related Currency Hedge Transaction) excluding any sale proceeds representing accrued interest designated as Interest Proceeds by the Collateral Manager, provided that no such designation may be made in respect of: (i) Purchased Accrued Interest; or (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; or (iii) proceeds that represent deferred interest accrued in respect of any PIK Security; or (iv) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until such amounts represent Defaulted Obligation Excess Amounts;

(b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, all amounts in Euros (or other currencies, if applicable) received by the Issuer from the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Obligation as described in paragraph (a) above, under the related Currency Hedge Transaction; 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 sale, disposition or termination of such Collateral Obligation.

"**Scheduled Periodic Currency Hedge Counterparty Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Currency Hedge Counterparty to the Issuer pursuant to the terms of such Currency Hedge Agreement, excluding any Hedge Counterparty Termination Payment.

"**Scheduled Periodic Currency Hedge Issuer Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Currency Hedge Counterparty pursuant to the terms of such Currency Hedge Agreement, excluding any Currency Hedge Issuer Termination Payment.

"**Scheduled Periodic Hedge Counterparty Payment**" means a Scheduled Periodic Currency Hedge Counterparty Payment or a Scheduled Periodic Interest Rate Hedge Counterparty Payment.

"**Scheduled Periodic Interest Rate Hedge Counterparty Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Hedge Counterparty to the Issuer pursuant to the terms of such Interest Rate Hedge Agreement, excluding any Hedge Counterparty Termination Payment.

"**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 Hedge Agreement, excluding any Interest Rate Hedge Issuer Termination Payment.

"**Scheduled Periodic Hedge Issuer Payment**" means a Scheduled Periodic Currency Hedge Issuer Payment or a Scheduled Periodic Interest Rate Hedge Issuer Payment.

"**Scheduled Principal Proceeds**" means:

(a) in the case of any Collateral Obligation (other than Non-Euro Obligations with a related Currency Hedge Transaction), scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments);

(b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, scheduled final and interim payments in the nature of principal payable to the Issuer by the applicable Currency Hedge Counterparty under the related Currency Hedge Transaction;

(c) in the case of any Hedge Agreements, any Hedge Replacement Receipts and Hedge Counterparty Termination Payments transferred from the Hedge Termination Account into the Principal Account and any amounts transferred from a Counterparty Downgrade Collateral Account to the Principal Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*).

"**Second Lien Loan**" means a Collateral Obligation that is a loan obligation (other than a Secured Senior Loan) 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 such loan or the fulfilment of a contractual obligation, as determined by the Collateral Manager in its reasonable commercial judgment.

"**Secured Party**" means each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Subordinated Noteholders, the Initial Purchaser, the Collateral Manager, the Collateral Sub-Manager, the Trustee, any Receiver, agent, delegate or other appointee of the Trustee under the Trust Deed, the Agents, each Hedge Counterparty, the Liquidity Facility Provider and the Managing Directors and "**Secured Parties**" means any two or more of them as the context so requires.

"**Secured Senior Loan**" means a Collateral Obligation (which may be a Revolving Obligation or a Delayed Drawdown Collateral Obligation) that is a senior secured loan obligation as determined by the Collateral Manager in its reasonable business judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 90.00 per cent. of the equity interests in the share of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (a) above provided that Super Senior Debt of an Obligor may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such Super Senior Debt representing up to the Secured Senior RCF Percentage of the Obligor's senior debt (including such Secured Senior Loan and Super Senior Debt).

"**Secured Senior Note**" means a Collateral Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Secured Senior Loan) as determined by the Collateral Manager in its reasonable judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 90.00 per cent. of the equity interests in the share of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or share referred to in (a) above provided that Super Senior Debt of an Obligor may have a higher priority security interest in such assets or share in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt (including such Secured Senior Note and Super Senior Debt).

"**Secured Senior Obligation**" means a Secured Senior Note or a Secured Senior Loan.

"**Secured Senior RCF Percentage**" means, in relation to a Secured Senior Note or a Secured Senior Loan, 15 per cent.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**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) €250,000 per annum (pro rated for the Due Period for the related Payment Date on the basis of a 360 day year comprised of twelve 30-day months); and

(b) 0.03 per cent. per annum (pro rated for the Due Period for the related Payment Date on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the Determination Date immediately preceding the Payment Date in respect of such Due Period,

provided however that if the amount of Trustee Fees and Expenses and Administrative Expenses paid on the three immediately preceding Payment Dates (or, if a Frequency Switch Period has commenced, the immediately preceding Payment Date) and during the related Due Period is less than the stated Senior Expenses Cap, the excess will be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, any such excess may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"**Senior Management Fee**" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Collateral Management and Administration Agreement in an amount, as determined by the Collateral Administrator, equal to 0.15 per cent. per annum (calculated semi-annually during a Frequency Switch Period and quarterly at all other times, and in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount (exclusive of any value added tax thereon whether payable to the Collateral Manager or any appropriate taxing authority) as at the first day of the Due Period (or, if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date as determined by the Collateral Administrator.

"**Senior Obligation**" means a Collateral Obligation that is a Secured Senior Obligation, an Unsecured Senior Loan or a Second Lien Loan, as determined by the Collateral Manager in its reasonable commercial judgment.

"**Similar Law**" means 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 any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to any Other Plan Law.

"**Solvency II**" means Directive 2009/138/EC including any implementing and/or delegated regulation, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**Special Redemption**" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"**Special Redemption Amount**" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"**Special Redemption Date**" has the meaning given to it in Condition 7(d) (*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 quoted by the Collateral Administrator on the date of calculation.

"**Structured Finance Security**" 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 Collateral Obligation**" means a Collateral Obligation (for the avoidance of doubt excluding a Second Lien Loan) which is subordinated to any senior unsecured debt obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgement.

"**Subordinated Management Fee**" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of the immediately preceding Due Period, pursuant to the Collateral Management and Administration Agreement equal to 0.35 per cent. per annum (calculated semi-annually during a Frequency Switch Period and quarterly at all other times, and in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount (exclusive of any value added tax thereon whether payable to the Collateral Manager or any appropriate taxing authority) as at the first day of the Due Period (or if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date, as determined by the Collateral Administrator.

"**Subordinated Notes**" have the meaning ascribed to them in the first paragraph of these Conditions.

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

"**Subscription Agreement**" means the subscription agreement between the Issuer and the Initial Purchaser dated on or about 5 December 2013.

"**Subsequent Drawdown**" means the amounts that the Issuer has drawn in accordance with the terms of the Liquidity Facility to refinance any Initial Drawdown.

"**Substitute Collateral Obligation**" means a Collateral Obligation purchased in substitution for a previously held Collateral Obligation pursuant to the terms of the Collateral Management and Administration Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Super Senior Debt**" means a super senior credit facility or such other financial indebtedness as is customary, usual and permitted under the terms of a Secured Senior Loan or Secured Senior Note, as applicable.

"**Supplemental Reserve Account**" means an interest bearing account in the name of the Issuer, so entitled and held with the Account Bank.

"**Supplemental Reserve Amount**" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds deposited to the Supplemental Reserve Account on such Payment Date in accordance with paragraph (BB) the Interest Priority of Payments, at the sole discretion of the Collateral Manager, which amounts shall not exceed (i) the lower of (a) €2,000,000 or (b) 50 per cent. of remaining Interest Proceeds in the aggregate for any Payment Date or (ii) an aggregate amount for all applicable Payment Dates of €4,000,000, or, in each case, such higher amount as may be designated by the Subordinated Noteholders from time to time (acting by Ordinary Resolution).

"**Swapped Non-Discount Obligation**" means any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Obligation (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 Collateral Obligation:

(a) is purchased or committed to be purchased within 20 Business 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 sold Collateral Obligation;

(c) is purchased at a price not less than 50 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 sold Collateral Obligation,

provided, however that:

(i) to the extent the aggregate Principal Balance of Swapped Non-Discount Obligations exceeds 5.0 per cent. of the Collateral Principal Amount, 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 Collateral Obligation that is an interest (including a Participation) in a Secured Senior Obligation, such Collateral Obligation 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 Collateral Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Obligation equals or exceeds 90 per cent; and

(iv) in the case of any Collateral Obligation that is not an interest in a Secured Senior Obligation, such Collateral Obligation 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 Collateral Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Obligation equals or exceeds 85 per cent.

"**Target Par Amount**" means €350,000,000.

"**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).

"**Total Facilities**" means the total indebtedness of an Obligor and its Affiliates, including any loan facilities, securities or debt obligations entered into by such Obligor and its Affiliates.

"**Transaction Documents**" means the Trust Deed (including the Notes and these Conditions), the Agency and Account Bank Agreement, the Subscription Agreement, the Collateral Management and Administration Agreement, the Collateral Sub-Management Agreement, the Liquidity Facility Agreement, each Hedge Agreement, the Euroclear Security Agreement, the Risk Retention Letter, each Collateral Acquisition Agreement, the Participation Agreements, the Issuer Management Agreement, the Letter of Undertaking and any document supplemental thereto or issued in connection therewith.

"**Trustee Fees and Expenses**" means the fees and expenses and all other amounts payable to the Trustee pursuant to the Trust Deed or any other Transaction Document from time to time plus any applicable value added tax thereon payable under the Trust Deed or any other Transaction Document, including indemnity payments and any fees, costs, charges and expenses properly incurred by the Trustee in respect of any Refinancing.

"**Unanimous Resolution**" means a unanimous 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.

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Collateral Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Obligation or under which the holders or creditors under such Collateral Obligation are the beneficiaries.

"**Unfunded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving

Obligation or Delayed Drawdown Collateral Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

"**Unfunded Revolver Reserve Account**" means the account of the Issuer established and maintained with the Account Bank pursuant to the Agency and Account Bank Agreement, amounts standing to the credit of which, subject to certain conditions, may be used to fund in full the amount of any unfunded commitments or unfunded liabilities from time to time, in relation to Delayed Drawdown Collateral Obligations and Revolving Obligations.

"**United States Person**" has the meaning given to it in Section 7701(a)(30) of the Code.

"**Unsaleable Assets**" means (a)(i) a Defaulted Obligation, (ii) an Equity Security or (iii) an Exchanged Security, in each case, in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any Collateral Obligation or Eligible Investment identified in an officer's certificate of the Collateral Manager as having a Market Value multiplied by its Principal Balance of less than Euro 1,000, in the case of each of (a) and (b) with respect to which the Collateral Manager certifies to the Trustee that (x) it has made commercially reasonable endeavours to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

"**Unscheduled Principal Proceeds**" (i) with respect to any Collateral Obligation (other than a Non-Euro Obligation with a related Currency Hedge Transaction), principal proceeds received by the Issuer prior to the Collateral Obligation 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 Collateral Obligation) and (ii) with respect to any Non-Euro Obligation with a related Currency Hedge Transaction any amounts in Euro payable to the Issuer by the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of any unscheduled principal proceeds received in respect of any Collateral Obligation under the related Currency Hedge Transaction.

"**Unsecured Senior Loan**" means a Collateral Obligation that:

(a) is a loan obligation senior to any unsecured, subordinated obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgment; and

(b) is not secured (i) by assets of the Obligor or guarantor thereof if and to the extent that the granting of security over assets is permissible under applicable law or (ii) by at least 90.00 per cent. of the equity interests in the stock of an entity owning such fixed assets.

"**Unused Proceeds Account**" means an interest bearing account in the name of the Issuer with the Account Bank into which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(iii) (*Unused Proceeds Account*).

"**U.S. Person**" means a U.S. person as such term is defined under Regulation S.

"**Warehouse Arrangements**" means the Forward Purchase Agreement to be entered into by the Issuer prior to the Issue Date to acquire the initial Portfolio of Collateral Obligations, and any agreements related thereto.

"**Warehoused Assets**" means the Collateral Obligations acquired by the Issuer prior to the Issue Date pursuant to the Warehouse Arrangements.

"**Weighted Average Floating Spread**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Written Resolution**" means any Resolution of the Noteholders of the relevant Class 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.

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 Agency and Account Bank 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.

(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 sent by courier, 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 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/QP (any such person, a "**Non-Permitted Holder**"), the Issuer shall promptly after determination that such person is a Non-Permitted Holder by the Issuer or a Transfer Agent (and notice by such Transfer Agent to the Issuer, if such Transfer Agent makes the determination), send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its Notes outside the United States to a non-U.S. Person or within the United States to a U.S. Person that is a QIB/QP 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 or the Collateral Manager, at the expense of the Issuer, shall cause such Rule 144A Notes to be transferred in a sale to a person or entity that certifies to the Issuer and the Transfer Agent, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB/QP and (b) pending such transfer, no further payments will be made in respect of such beneficial interest. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Rule 144A Notes and selling such Rule 144A Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other person in the chain of title to the Non-Permitted Holder by its acceptance of an interest in the Rule 144A Notes agrees to cooperate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and none of the Issuer, the Trustee or the Registrar shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer and the Registrar reserve the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP or a non-U.S. Person. 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 a certification is requested is not a QIB/QP or 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 a non-U.S. Person or a U.S. Person that is a QIB/QP.

(i) *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, Other Plan Law 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 set out in the Plan Asset Regulation (any such Noteholder a "**Non-Permitted ERISA Noteholder**"), the Non-Permitted ERISA Noteholder shall be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser (selected by 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. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer, to the extent required to effect such transfers. None of the Issuer, the Trustee and 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. 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 such forced transfer. The Non-Permitted ERISA Noteholder will receive the balance, if any.

(j) *Forced Transfer pursuant to FATCA*

If any Noteholder is determined by the Issuer to be a Noteholder who (i) has failed to provide any information necessary in order to enable the Issuer to comply with its obligations under FATCA or (ii) otherwise prevents the Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "Participating FFI" within the meaning of U.S. Treasury Regulation Section 1.1471-1(b)(85) or a "deemed-compliant FFI" within the meaning of U.S. Treasury Regulation Section 1.1471-5(f), or otherwise prevents the Issuer from complying with FATCA (any such Noteholder, a "**Non-Permitted FATCA Noteholder**"), the Non-Permitted FATCA Noteholder may be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser (selected by 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. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer to the extent required to effect such transfers. None of the Issuer, the Trustee and 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. 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 such forced transfer. The Non-Permitted FATCA Noteholder will receive the balance, if any. For the avoidance of doubt, the Issuer shall have the right to sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA.

(k) *Forced Transfer mechanics*

In order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*), the Issuer may repay any affected Notes at par value and issue replacement Notes and the Issuer, the Agents and the Registrar (each at the expense of the Issuer) shall work with the Clearing Systems to take such action as may be necessary to effect such repayment and issue of replacement Notes.

(l) *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 Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*) above without the need for any further express instruction from any affected Noteholder. 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.

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*). 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*

The Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payments of interest on the Class A-1 Notes will rank senior to payments of interest on each Payment Date in respect of each other Class; payment of interest on the Class A-2 Notes will be subordinated in right of payment to payments of interest in respect of the Class A-1 Notes, but senior in right of payment to payments of interest in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes; payment of interest on the Class B Notes will be subordinated in right of payment to payments of interest in respect of the Class A-1 Notes and the Class A-2 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 and the Subordinated Notes; payment of interest on the Class C Notes will be subordinated in right of payment to payments of interest in respect of the Class A-1 Notes, the Class A-2 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 and the Subordinated Notes; payment of interest on the Class D Notes will be subordinated in right of payment to payments of interest in respect of the Class A-1 Notes, the Class A-2 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 and the Subordinated Notes; payment of interest on the Class E Notes will be subordinated in right of payment to payments of interest in respect of the Class A-1 Notes, the Class A-2 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 Subordinated Notes. Payment of interest on the Subordinated Notes will be subordinated in right of payment to payment of interest in respect of the Rated Notes. Interest on the Subordinated Notes shall be paid *pari passu* and without any preference amongst themselves.

No amount of principal in respect of the Class A-2 Notes shall become due and payable until redemption and payment in full of the Class A-1 Notes. 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 A-1 Notes and the Class A-2 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 A-1 Notes, the Class A-2 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 A-1 Notes, the Class A-2 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 A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes. Subject to the applicability of the Post-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 Payments 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 Payments are paid in full.

(c) *Priorities of Payments*

The Collateral Administrator shall (on the basis of the Payment Date Report prepared by the Collateral Administrator in consultation with the Collateral Manager pursuant to the terms of the Collateral Management and Administration Agreement on each Determination Date), on behalf of the Issuer (i) on each Payment Date prior to the delivery of an Acceleration Notice in accordance with Condition 10(b) (*Acceleration*); (ii) following delivery of an Acceleration

Notice which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*); and (iii) other than in connection with an optional redemption in whole under Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption following Note Tax Event*) (in which event the Post-Acceleration Priority of Payments shall apply), cause the Account Bank to disburse Interest Proceeds and Principal Proceeds transferred to the Payment Account, in each case, in accordance with the following Priorities of Payments:

(i) *Application of Interest Proceeds*

Subject as further provided below, Interest Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment of (i) firstly taxes owing by the Issuer accrued in respect of the related Due Period (other than Dutch corporate income tax in relation to the amounts equal to the Issuer Profit Amount referred to in (ii) below), as certified by an Authorised Officer of the Issuer to the Trustee, if any, (save for any value added tax payable in respect of any Collateral Management Fee or any other tax payable in relation to any amount payable to the Secured Parties); and (ii) secondly the Issuer Profit Amount, for deposit into the Issuer Dutch Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period, provided that upon the occurrence of an Event of Default under Condition 10(a) (*Events of Default*), the Senior Expenses Cap shall not apply until such Event of Default has been cured or waived;

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above, provided that upon the occurrence of an Event of Default under Condition 10(a) (*Events of Default*), the Senior Expenses Cap shall not apply until such Event of Default has been cured or waived;

(D) to the Expense Reserve Account, at the Collateral Manager's discretion, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less (i) any amounts paid pursuant to paragraph (B) and (C) above and (ii) any amounts paid out of the Expense Reserve Account in respect of the related Due Period;

(E) to the payment of the following amounts due and payable under the Liquidity Facility Agreement:

(1) *firstly*, to the Liquidity Facility Provider of any Liquidity Facility Interest Amounts due and payable on such Payment Date;

(2) *secondly*, to the Liquidity Facility Provider of any Liquidity Facility Commitment Fee Amounts due and payable on such Payment Date; and

(3) *thirdly*, to the Liquidity Facility Provider of any Liquidity Drawings due and payable on such Payment Date;

(F) to the payment:

(1) *firstly*, to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date together with any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Management Amounts and Deferred Subordinated Management Amounts), provided however that the Collateral Manager may, in its sole discretion, elect to

(x) irrevocably waive, (y) designate for reinvestment or (z) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (F) (any such amounts pursuant to (y) or (z) being "**Deferred Senior Management Amount**") on any Payment Date, provided that any such amount in the case of (y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations or, in the case of (x) or (z), shall be applied to the payment of amounts in accordance with paragraphs (G) through (W) and (Y) through (CC) below, subject in each case to the Collateral 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 applied; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees and any interest thereon calculated in accordance with the terms of the Collateral Management and Administration Agreement (other than Deferred Senior Management Amounts) together with any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(G) to the payment, on a *pro rata* basis, of (i) any Scheduled Periodic Hedge Issuer Payments, (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Currency Account or the Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Interest Account or the Hedge Termination Account and other than Defaulted Interest Rate Hedge Termination Payments);

(H) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class A-1 Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class A-1 Notes;

(I) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class A-2 Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class A-2 Notes;

(J) if either of the Class A Coverage Tests is not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class A Interest Coverage Test, on the Determination Date preceding the Payment Date occurring on 20 January 2015 or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A Coverage Test to be satisfied if recalculated following such redemption;

(K) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class B Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(L) if either of the Class B Coverage Tests is not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class B Interest Coverage Test, on the Determination Date preceding the Payment Date occurring on 20 January 2015 or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class B Coverage Test to be met if recalculated following such redemption;

(M) to the payment on a *pro rata* basis of any Deferred Interest on the Class B Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(N) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class C Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(O) if either of the Class C Coverage Tests is not satisfied on any Determination Date on and after the Effective Date, or, in the case of the Class C Interest Coverage Test, on the Determination Date preceding the Payment Date occurring on 20 January 2015 or any Determination Date thereafter, 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 met if recalculated following such redemption;

(P) to the payment on a *pro rata* basis of any Deferred Interest on the Class C Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(Q) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class D Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(R) if either of the Class D Coverage Tests is not satisfied on any Determination Date on and after the Effective Date, or, in the case of the Class D Interest Coverage Test, on the Determination Date preceding the Payment Date occurring on 20 January 2015 or any Determination Date thereafter, 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 met if recalculated following such redemption;

(S) to the payment on a *pro rata* basis of any Deferred Interest on the Class D Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(T) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class E Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(U) to the payment on a *pro rata* basis of any Deferred Interest on the Class E Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(V) on the Payment Date following the Effective Date and 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 Business Day prior to such Payment Date, to redeem the Notes in full in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing;

(W) if, on any Payment Date during the Reinvestment Period, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) above, the Reinvestment Overcollateralisation Test has not been met, to the payment to the Principal Account as Principal Proceeds, to be applied for the purpose of the acquisition of additional Collateral Obligations in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) above, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met;

(X) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date together with any value added

tax in respect thereof (whether payable to the Collateral Manager or directly on to the relevant taxing authority) until such amount has been paid in full, provided however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive, (y) designate for reinvestment or (z) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (X) (any such amounts pursuant to (y) or (z) being "**Deferred Subordinated Management Amounts**") on any Payment Date, provided that any such amount in the case of (y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations or, in the case of (x) or (z), shall be applied to the payment of amounts in accordance with paragraphs (Y) through (CC) below, subject to the Collateral 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 applied;

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee and any interest thereon calculated in accordance with the terms of the Collateral Management and Administration Agreement (other than Deferred Senior Management Amounts and Deferred Subordinated Management Amounts) together with any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(3) *thirdly*, at the election of the Collateral Manager (in its sole discretion) to the Collateral Manager in payment of any previously Deferred Senior Management Amounts and Deferred Subordinated Management Amounts and any interest thereon calculated in accordance with the terms of the Collateral Management and Administration Agreement;

(Y) to the payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(Z) to the payment (1) *firstly*, of Administrative Expenses (if any) not paid by reason of the Senior Expenses Cap, in relation to each item thereof in the order of priority stated in the definition thereof and (2) *secondly*, any increased costs under the Liquidity Facility Agreement;

(AA) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to any Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payment due to an Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Currency Account or the Hedge Termination Account);

(BB) during the Reinvestment Period at the direction and in the discretion of the Collateral Manager, to transfer to the Supplemental Reserve Account any Supplemental Reserve Amount; and

(CC) (1) if the Incentive Collateral Management Fee IRR Threshold has not 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), until the Incentive Collateral Management Fee IRR Threshold is reached; and

(2) if, 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 and the

Principal Priority of Payments, the Incentive Collateral Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) 20 per cent. of any remaining Interest Proceeds, to the payment to the Collateral Manager as an Incentive Collateral Management Fee exclusive of and together with any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); provided however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (CC)(2)(a) on any Payment Date, provided that any such amount (i) in the case of (y), shall be used to purchase Substitute Collateral Obligations or (ii) in the case of (x) or (y), shall be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations; and

(b) 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).

For the avoidance of doubt, any Collateral Management Fees which are deferred, waived or designated for reinvestment pursuant to paragraphs (F), (X) or (CC) above shall not be treated as due and payable pursuant to paragraphs (F), (X) or (CC) above.

(ii) *Application of Principal Proceeds*

Principal Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (I) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(B) to the payment of the amounts referred to in paragraph (J) 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 Coverage Tests that are applicable on such Payment Date with respect to the Class A Notes to be met as of the related Determination Date;

(C) to the 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 that the Class B Notes are the Controlling Class;

(D) to the 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 necessary to cause the Class B Coverage Tests that are applicable on such Payment Date with respect to the Class B Notes to be met as of the related Determination Date;

(E) to the 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 to the extent that the Class B Notes are the Controlling Class;

(F) to the 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 that the Class C Notes are the Controlling Class;

(G) to the 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 necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be met as of the related Determination Date;

(H) to the 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 to the extent that the Class C Notes are the Controlling Class;

(I) to the 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 that the Class D Notes are the Controlling Class;

(J) to the 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 necessary to cause the Class D Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be met as of the related Determination Date;

(K) to the 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 to the extent that the Class D Notes are the Controlling Class;

(L) to the 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 to the extent that the Class E Notes are the Controlling Class;

(M) to the 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 to the extent that the Class E Notes are the Controlling Class;

(N) to the 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;

(O) if such Payment Date is a Special Redemption Date, at the election of the Collateral Manager to make payments in an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date in accordance with the Note Payment Sequence;

(P) (1) during the Reinvestment Period, at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Obligations or to the Principal Account pending reinvestment in Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;

(2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Risk Obligations at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Obligations or to the Principal Account pending reinvestment in Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;

(Q) after the Reinvestment Period, to redeem the Notes in accordance with the Note Payment Sequence;

(R) after the Reinvestment Period, to the payment on a sequential basis of the amounts referred to in paragraphs (X) through (AA) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder; and

(S) (1) if the Incentive Collateral Management Fee IRR Threshold has not been reached, any remaining Principal Proceeds to the payment 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 Collateral Management Fee IRR Threshold is reached; and

(2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date including in accordance with the Interest Priority of Payments and the Principal Priority of Payments, the Incentive Collateral Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) 20 per cent. of any remaining Principal Proceeds, to the payment to the Collateral Manager as an Incentive Collateral Management Fee exclusive of and together with any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); provided however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (S)(2)(a) on any Payment Date, provided that any such amount (i) in the case of (y), shall be used to purchase Substitute Collateral Obligations or (ii) in the case of (x) or (y), shall be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations; and

(b) any remaining Principal Proceeds, to the payment of principal on the Subordinated Notes on a pro rata basis and thereafter to the payment of interest on a pro rata basis on the Subordinated Notes (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).

For the avoidance of doubt, any Incentive Collateral Management Fees which are waived or designated for reinvestment pursuant to paragraph (S) above shall not be treated as due and payable pursuant to such paragraph.

(d) *Non payment of Amounts*

Failure on the part of the Issuer to pay the Interest Amounts on any Class of Notes pursuant to Condition 6 (*Interest*) in accordance with the Priorities of Payments by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not be an Event of Default unless and until (i) such failure continues for a period of at least five Business Days (or seven Business Days in the case of an administrative error or omission as described in Condition 10(a)(i)) and (ii) in the case of non-payment of interest due and payable on (A) the Class E Notes, the Class A Notes, the Class B Notes, Class C Notes and the Class D Notes have been redeemed in full, (B) the Class D Notes, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full, (C) the Class C Notes, the Class A Notes and Class B Notes have been redeemed in full, (D) the Class B Notes, the Class A Notes have been redeemed in full, save in each case as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*).

Failure on the part of the Issuer to pay any principal when the same becomes due and payable on any Rated Note on the Maturity Date or any Redemption Date shall be an Event of Default provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least five Business Days and provided further that, failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with the Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default.

Subject always, in the case of Interest Amounts payable in respect of the Class B Notes, Class C Notes, Class D Notes and Class E Notes to Condition 6(c) (*Deferral of Interest*) and save as otherwise provided in respect of any unpaid Collateral Management Fees (and value added tax payable in respect thereof), in the event of non payment of any amounts referred to in the Interest Priority of Payments or the 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 (*Status*). References to the amounts referred to in the Interest Priority of Payments and the Principal Priority of Payments of this Condition 3 (*Status*) shall include any amounts thereof not paid when due in accordance with this Condition 3 (*Status*) on any preceding Payment Date.

(e) *Determination and Payment of Amounts*

The Collateral Administrator will, in consultation with the Collateral Manager, on each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payments and will notify the Issuer and the Trustee of such amounts. The Collateral Administrator (acting in accordance with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer) shall cause the Account Bank, on behalf of the Issuer not later than 12.00 noon (London time) on the Business Day preceding each Payment Date, cause the amounts standing to the credit of the Principal Account, the Unused Proceeds Account and if applicable the Interest Account and the Supplemental Reserve 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 and the Principal 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 Collateral Manager, adjust the amounts required to be applied in payment of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, Class E Notes and the Subordinated Notes from time to time pursuant to the Priorities of Payments so that the amount to be so applied in respect of each Class A Note, Class B Note, Class C Note, Class D Note, Class E Note and the Subordinated Notes is a whole amount, not involving any fraction of a Euro smaller than 0.01 (with 0.05 being rounded up).

(g) *Publication of Amounts*

The Collateral Administrator on behalf of the Issuer will cause details of the amounts of interest and principal to be paid, and any amounts of interest payable but not paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Irish Stock Exchange by no later than 11.00 am (London time) on the Business Day following the applicable Payment 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 3 (*Status*) will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence as referred to above) 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 3 (*Status*).

(i) *Accounts*

The Issuer shall, on or prior to 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 Payment Account;
- the Supplemental Reserve Account;
- the Expense Reserve Account;
- the Unfunded Revolver Reserve Account;
- the First Period Reserve Account;
- the Currency Accounts;
- the Custody Account;
- the Collection Account;
- the Counterparty Downgrade Collateral Account(s);
- the Prefunded Commitment Account; and
- the Hedge Termination Account(s).

The Account Bank and the Custodian shall at all times be a financial institution satisfying the Rating Requirement applicable thereto, which is not resident or which is acting through an office which is not situated, in The Netherlands but which has the necessary regulatory capacity and licences to perform the services required by it in The Netherlands. If the Account Bank at any time fails to satisfy the Rating Requirement, the Issuer shall use reasonable endeavours to procure that a replacement Account Bank acceptable to the Trustee, which satisfies the Rating Requirement, is appointed in accordance with the provisions of the Agency and Account Bank Agreement.

Amounts standing to the credit of the Accounts (other than the Unfunded Revolver Reserve Account, the Counterparty Downgrade Collateral Accounts, the Collection Account, the Prefunded Commitment Account and the Payment Account) from time to time may be invested by the Collateral Manager on behalf of the Issuer in Eligible Investments.

All interest accrued on any of the Accounts (other than any Counterparty Downgrade Collateral Accounts, the Prefunded Commitment Account, the Payment Account and the Currency Accounts) from time to time shall be paid into the Interest Account, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. 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, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. 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 other than Euro, the Collateral Manager, acting on behalf of the Issuer, may (other than in the case of any Counterparty Downgrade Collateral Accounts) convert such amounts into the currency of the Account at the Spot Rate as determined by the Collateral Administrator at the direction of the Collateral Manager.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Payment Account, (iii) the Expense Reserve Account, (iv) the Supplemental Reserve Account, (v) all interest accrued on the Accounts, (vi) the Currency Account, (vii) the Prefunded Commitment

Account and (viii) the Counterparty Downgrade Collateral Accounts) shall be transferred to the Payment Account and shall constitute Principal Proceeds on the Business Day prior to any redemption of the Notes in full, and all amounts standing to the credit of each of the Interest Account, the Expense Reserve Account, the Supplemental Reserve Account and, to the extent not required to be repaid to any Hedge Counterparty or the Liquidity Facility Provider, as the case may be, the relevant Counterparty Downgrade Collateral Account and the Prefunded Commitment Account shall be transferred to the Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Notes in full.

Application of amounts in respect of any Hedge Issuer Tax Credit Payments 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 Priorities of Payments.

(j) *Payments to and from the Accounts*

(i) *Principal Account*

The Issuer will procure that the following Principal Proceeds are paid into the Principal Account promptly upon receipt thereof:

(A) all principal payments received in respect of any Collateral Obligation including, without limitation:

(1) Scheduled Principal Proceeds;

(2) amounts received in respect of any maturity, scheduled amortisation, mandatory prepayment or mandatory sinking fund payment on a Collateral Obligation;

(3) Unscheduled Principal Proceeds; and

(4) any other principal payments with respect to Collateral Obligations or Eligible Investments (to the extent not included in the Sale Proceeds);

but excluding (i) any such payments received in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, to the extent required to be paid into the Unfunded Revolver Reserve Account, (ii) principal proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account, (iii) any such payments received in respect of any Hedge Replacement Receipts or Hedge Counterparty Termination Payments to the extent required to be paid into the Hedge Termination Account and (iv) principal proceeds received both before and after the Reinvestment Period in connection with the acceptance of an Offer where such Offer is by way of novation or substitution (for the avoidance of doubt, such proceeds will be reinvested automatically as consideration for the novated or substitute Collateral Obligation, subject to the Restructured Obligation Criteria being satisfied);

(B) all interest and other amounts received in respect of any Defaulted Obligation or any Mezzanine Obligation for so long as it is a Defaulted Obligation or a Defaulted Deferring Mezzanine Obligation (as applicable) (save for Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts) and amounts representing the element of deferred interest in any payments received in respect of any PIK Security;

(C) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Obligation 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 Collateral Obligation;

(D) all fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of

any Defaulted Obligations or Collateral Obligations as determined by the Collateral Manager in its reasonable discretion;

(E) all Sale Proceeds received in respect of a Collateral Obligation;

(F) all Distributions and Sale Proceeds received in respect of Exchanged Securities;

(G) all Purchased Accrued Interest;

(H) amounts transferred to the Principal Account from any other Account as required below;

(I) all proceeds received from any additional issuance of the Notes that are not invested in Collateral Obligations or required to be paid into the Interest Account in accordance with Condition 17 (*Additional Issuances*);

(J) any interim or final exchange amounts (but excluding any initial exchange payments which shall be paid into the relevant Currency Account) scheduled to be paid by any Currency Hedge Counterparty to the Issuer under a Currency Hedge Transaction and excluding any Scheduled Periodic Currency Hedge Counterparty Payments but including any amounts described as termination payments in the relevant Currency Hedge Transaction which relate to payments to be made as a result of the relevant Non-Euro Obligation being sold or becoming subject to a credit event or debt restructuring;

(K) all amounts payable into the Principal Account pursuant to paragraph (W) of the Interest Priority of Payments upon the failure to meet the Reinvestment Overcollateralisation Test during the Reinvestment Period;

(L) all principal payments received in respect of any Non-Eligible Issue Date Collateral Obligation or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which have not been sold by the Collateral Manager in accordance with the Collateral Management and Administration Agreement;

(M) all amounts transferred to the Principal Account from the Currency Account pursuant to paragraph (B) of Condition 3(j)(ix) (*Currency Account*) following exchange of such amounts into Euros (to the extent not already in Euros) by the Issuer following consultation with the Collateral Manager;

(N) any deferred Collateral Management Fees deferred by the Collateral Manager and designated for reinvestment in accordance with the Priorities of Payments; and

(O) any other amounts which are not required to be paid into any other Account in accordance with 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 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: (a) amounts deposited after the end of the related Due Period; and (b) any Principal Proceeds deposited prior to the end of the related Due Period to the extent such Principal Proceeds are permitted to be and have been designated for reinvestment by the Collateral Manager (on behalf of the Issuer) pursuant to the Collateral Management and Administration Agreement for a period beyond such Payment Date, provided that (i) if the Coverage Tests are not satisfied, Principal Proceeds from Defaulted Obligations may not be designated for

reinvestment by the Collateral Manager (on behalf of the Issuer) unless the Coverage Tests will be satisfied immediately following such reinvestment and, if not so designated prior to the following Payment Date, shall be disbursed pursuant to the Principal Priority of Payments on such Payment Date and (ii) 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 at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations (including any payments to a Currency Hedge Counterparty in respect of initial principal exchange amounts pursuant to any Currency Hedge Transaction entered into in respect thereof) including amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Collateral Obligations which are required to be deposited in the Unfunded Revolver Reserve Account; and

(3) on any Payment Date, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement, in payment of the purchase price of any Notes purchased by the Issuer in accordance with Condition 7(k) (*Purchase*).

(ii) *Interest Account*

The Issuer will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof:

(A) all cash payments of interest in respect of the Collateral Obligations other than any 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 a claim under any applicable double taxation treaty but excluding (i) interest proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account and (ii) any interest received in respect of any Defaulted Obligations and Mezzanine Obligation for so long as it is a Defaulted Obligation or Defaulted Deferring Mezzanine Obligation (as applicable) other than Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts (as applicable);

(B) all interest accrued on the Balance standing to the credit of the Interest Account from time to time and all interest accrued in respect of the Balances standing to the credit of the other Accounts other than the Counterparty Downgrade Collateral Account and the Payment Account (including interest on any Eligible Investments standing to the credit thereof);

(C) all amendment and waiver fees, all late payment fees, all commitment fees, syndication fees, delayed compensation and all other fees and commissions received in connection with any Collateral Obligations and Eligible Investments as determined by the Collateral Manager in its reasonable discretion (other than fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations which fees and commissions shall be payable into the Principal Account and shall constitute Principal Proceeds);

(D) all accrued interest included in the proceeds of sale of any other Collateral Obligation that are designated by the Collateral Manager as Interest Proceeds pursuant to the Collateral Management and Administration Agreement (provided that no such designation may be made in respect of (i) any Purchased

Accrued Interest, (ii) any interest received in respect of (1) any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts or (2) a Defaulted Obligation save for Defaulted Obligation Excess Amounts);

(E) other than in connection with a Refinancing, all proceeds received during the related Due Period from any additional issuance of Subordinated Notes that are not reinvested or retained for reinvestment in Collateral Obligations;

(F) all amounts representing the element of deferred interest (other than Purchased Accrued Interest) in any payments received in respect of any Mezzanine Obligation which is not a Defaulted Deferring Mezzanine Obligation and which by its contractual terms provides for the deferral of interest;

(G) amounts transferred to the Interest Account from any other Account in the circumstances described in this Condition 3(j) (*Payments to and from the Accounts*);

(H) all scheduled commitment fees received by the Issuer in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations;

(I) all amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Revolving Obligation or a Delayed Drawdown Collateral Obligation in an account established pursuant to an ancillary facility;

(J) all Scheduled Periodic Hedge Counterparty Payments received by the Issuer under any Hedge Transaction excluding any Scheduled Principal Proceeds, or Hedge Replacement Receipts;

(K) all cash payments of interest in respect of any Non-Eligible Issue Date Collateral Obligations or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and that have not been sold by the Collateral Manager, other than any 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 a claim under any applicable double taxation treaty in accordance with the Collateral Management and Administration Agreement; and

(L) any amounts relating to a Hedge Issuer Tax Credit Payment received by the Issuer from the tax authorities of any jurisdiction.

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 shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Interest Priority of Payments save for amounts deposited after the end of the related Due Period or any amounts representing any Hedge Issuer Tax Credit Payments to be disbursed pursuant to (3) below;

(2) at any time in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations to the extent that any such acquisition costs represent accrued interest;

(3) at any time, any Scheduled Periodic Interest Rate Hedge Issuer Payments and any Hedge Issuer Tax Credit Payments to the applicable Hedge Counterparty under the relevant Hedge Transaction; and

(4) at any time, funds may be transferred to the relevant Currency Account up to an amount equal to any shortfall in the Balance standing to the credit of such Account with respect to any payment obligation by the Issuer pursuant to paragraph (A) of Condition 3(j)(ix) (*Currency Accounts*) at such time.

(iii) *Unused Proceeds Account*

The Issuer will procure that the following amounts are credited to the Unused Proceeds Account, as applicable:

(A) an amount transferred from the Collection Account equal to the net proceeds of issue of the Notes remaining after the payment of all amounts pursuant to Condition 3(j)(xii)(1) (*Collection Account*) below; and

(B) all proceeds received during the Initial Investment Period from any additional issuance of Notes that are not invested in Collateral Obligations or paid into the Interest Account in accordance with Condition 17(b) (*Additional Issuances*).

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 applicable sub-ledger of the Unused Proceeds Account:

(1) on or about the Issue Date, such amounts equal to the aggregate of:

(a) the purchase price for certain Collateral Obligations on or prior to the Issue Date, including pursuant to the Warehouse Arrangements; and

(b) amounts required for repayment of any amounts borrowed by the Issuer (together with interest thereon) in order to finance the acquisition of certain Collateral Obligations on or prior to the Issue Date;

(2) at any time up to and including the last day of the Initial Investment Period, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations;

(3) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payments, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing; and

(4) on or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account, to the Principal Account or the Interest Account, in each case, at the discretion of the Collateral 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; and (ii) no more than 1 per cent. of the Collateral Principal Amount may be transferred to the Interest Account.

(iv) *Payment Account*

The Collateral Administrator on behalf of the Issuer will 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 from the other accounts to the Payment

Account pursuant to Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) are so transferred together with all Initial Drawdowns and Subsequent Drawdowns received by the Issuer under the Liquidity Facility (if any) in accordance with the terms of the Liquidity Facility Agreement either directly from the Liquidity Facility Provider or from the Prefunded Commitment Account (if applicable) and, on such Payment Date, the Collateral Administrator shall cause the Account Bank (acting on the basis of the Payment Date Report), to disburse such amounts in accordance with the Priorities of Payments. No amounts shall be transferred to or withdrawn from the Payment Account at any other time or in any other circumstances.

(v) *Counterparty Downgrade Collateral Accounts*

The Issuer will 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 will procure the payment of the following amounts out of a Counterparty Downgrade Collateral Account (and shall ensure that no other payments are made, save to the extent otherwise permitted):

(1) 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:

(a) any "Return Amounts" (if applicable and as defined in such Hedge Agreement);

(b) any "Interest Amounts" and "Distributions" (if applicable and each as defined in such Hedge Agreement); and

(c) 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 thereunder),

directly to the Hedge Counterparty in accordance with the terms of such Hedge Agreement;

(2) 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 (A) an "Event of Default" (as defined in such Hedge Agreement) in respect of the relevant Hedge Counterparty or an "Additional Termination Event" (as defined in such Hedge Agreement) in relation to which the relevant Hedge Counterparty is the sole "Affected Party" (as defined in such Hedge Agreement) and (B) 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:

(a) *first*, 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);

(b) *second*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(c) *third*, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account;

(3) 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 (A) other than in respect of an "Event of Default" (as defined in such Hedge Agreement) in respect of the relevant Hedge Counterparty and other than in respect of an "Additional Termination Event" (as defined in such Hedge Agreement) in relation to which the relevant Hedge Counterparty is the sole "Affected Party" (as defined in such Hedge Agreement) and where (B) 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:

(a) *first*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);

(b) *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

(c) *third*, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account,

(4) 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 Collateral 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:

(a) *first*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(b) *second*, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account.

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 and do not form part of Principal Proceeds or of the Interest Proceeds (other than in the circumstances set out above) and accordingly, are not available to fund general distributions of the Issuer.

(vi) *Supplemental Reserve Account*

The Issuer will procure that, on each Payment Date, each Supplemental Reserve Amount in respect of such Payment Date shall be deposited into the Supplemental Reserve Account. In addition, the Issuer will procure that any Collateral Enhancement Obligation Proceeds received by the Issuer shall be deposited in the Supplemental Reserve Account. The Issuer will 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 Supplemental Reserve Account:

(1) at any time, to the Principal Account for either (x) during the Reinvestment Period to reinvest in Substitute Collateral Obligations or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payments;

(2) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to the Interest Account for distribution in accordance with the Priorities of Payments;

(3) at any time, 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 Collateral Management and Administration Agreement;

(4) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to purchase any Rated Notes in accordance with Condition 7(k) (*Purchase*);

(5) on the occurrence of an Effective Date Rating Event, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payments, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier until an Effective Date Rating Event is no longer continuing;

(6) the Balance standing to the credit of the Supplemental Reserve Account to the Payment Account for distribution on such Payment Date in accordance with the Principal Priority of Payments or the Post-Acceleration Priorities of Payments (as applicable) (1) at the direction of the Collateral Manager at any time prior to an Event of Default or (2) automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*); and

(7) in respect of a Refinancing, to pay any Refinancing Costs.

(vii) *The Unfunded Revolver Reserve Account*

The Issuer shall procure the following amounts are paid into the Unfunded Revolver Reserve Account:

(A) upon the acquisition by or on behalf of the Issuer of any Revolving Obligation or Delayed Drawdown Collateral Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the Unfunded Revolver Reserve Account to be at least equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Collateral Obligation) less amounts posted thereafter as collateral (which do not constitute Funded Amounts), in each case, pursuant to paragraph (2) or (3) below, as applicable;

(B) all principal payments received by the Issuer in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, if and to the extent that the amount of such principal payments may be re-borrowed under such Revolving Obligation or Delayed Drawdown Collateral Obligation or otherwise by the Collateral Manager, acting on behalf of the Issuer; and

(C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to (2) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the Unfunded Revolver Reserve Account:

(1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Obligation or Revolving Obligation;

(2) in respect of Delayed Drawdown Collateral Obligations or Revolving Obligations, 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 (or if the third party does not satisfy the Rating Requirement applicable to an Account Bank, subject to receipt of Rating Agency Confirmation) as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation (subject to such security documentation as may be agreed between such lender, the Collateral Manager acting on behalf of the Issuer and the Trustee);

(3) (x) at any time at the direction of the Collateral Manager (acting on behalf of the Issuer) or (y) upon the sale (in whole or in part) of a Revolving Obligation or Delayed Drawdown Collateral 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 Unfunded Revolver Reserve Account over (b) the sum of the Unfunded Amounts of all Revolving Obligations and Delayed Drawdown Collateral Obligations after taking into account such sale or such reduction, cancellation or expiry of such commitment or notional amount; and

(4) all interest accrued on the Balance standing to the credit of the Unfunded Revolver Reserve Account from time to time (including capitalised interest received upon the sale, maturity or termination of any Eligible Investment) to the Interest Account following conversion thereof into Euros to the extent necessary.

(viii) *Hedge Termination Account*

The Issuer will procure that all Hedge Counterparty Termination Payments and Hedge Replacement Receipts are paid into the appropriate Hedge Termination Account promptly upon receipt thereof.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made save to the extent otherwise permitted) out of the relevant Hedge Termination Account in payment as provided below:

(A) at any time, in the case of any Hedge Replacement Receipts paid into the relevant Hedge Termination Account, in payment of any Interest Rate Hedge Issuer Termination Payment or Currency Hedge Issuer Termination Payment, as applicable, due and payable to a Hedge Counterparty under the Hedge Transaction being replaced or to the extent not required to make such payment, in payment of such amount to the Principal Account;

(B) at any time, in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in payment of any Hedge Replacement Payment and any other amounts payable by the Issuer upon entry into a Replacement Hedge Transaction in accordance with the Collateral Management and Administration Agreement; and

(C) in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in the event that:

(1) the Issuer, or the Collateral Manager on its behalf, determines not to replace the Hedge Transaction (or part thereof) and Rating Agency Confirmation is received in respect of such determination (other than where such determination is made in connection with a Currency Hedge Transaction which has been terminated (in whole or in part) solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation); or

(2) termination of the Hedge Transaction (in whole or in part) under which such Hedge Counterparty Termination Payments are payable occurs on a Redemption Date; or

(3) to the extent that such Hedge Counterparty Termination Payments are not required for application towards costs of entry into a Replacement Hedge Transaction,

in payment of such amounts (save for accrued interest thereon) to the Principal Account.

(ix) *Currency Accounts*

The Issuer will procure that all amounts received in respect of any Non-Euro Obligations (including Sale Proceeds, but excluding Currency Hedge Replacement Receipts and Hedge Counterparty Termination Payments) to the extent not required to be paid directly to the Interest Account or Principal Account are paid into the appropriate Currency Account in the currency of receipt thereof. A separate Currency Account will be established in respect of each applicable currency. All interest accrued on the Balance standing to the credit of a Currency Account shall be deposited into such Currency Account.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Currency Account:

(A) at any time, all amounts payable by the Issuer to the Currency Hedge Counterparty under any Currency Hedge Transaction save for Currency Hedge Issuer Termination Payments (other than where such Currency Hedge Issuer Termination Payments arise in connection with the termination of a Currency Hedge Transaction (in whole or in part) in circumstances where no Replacement Hedge Transaction is entered into by the Issuer which gives rise to a Hedge Replacement Receipt, including where a Currency Hedge Transaction has been terminated (in whole or in part) solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation) and Hedge Replacement Payments; and

(B) cash amounts representing any excess standing to the credit of the Currency Account after paying, or provisions for the payment, or any amounts to be paid to any Currency Hedge Counterparty pursuant to paragraph (A) above shall be converted into Euro at the Spot Rate by the Issuer following consultation with the Collateral Manager and transferred to the Principal Account.

(x) *Expense Reserve Account*

The Issuer shall procure that the following amounts are paid into the Expense Reserve Account:

(A) on the Issue Date, an amount determined on the Issue Date for the payment of amounts due or accrued in connection with the issue of the Notes, in accordance with (1) below; and

(B) any amount applied in payment into the Expense Reserve Account pursuant to paragraph (D) of the Interest Priority of Payments or paragraph (A) of the Principal Priority of Payments.

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) amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of Notes and the entry into the Transaction Documents;

(2) amounts standing to the credit of the Expense Reserve Account on or after the Determination Date immediately preceding the first Payment Date may be transferred to the Principal Account and/or the Interest Account in the sole discretion of the Issuer (or the Collateral Manager acting on its behalf); and

(3) at any time, the amount of any Trustee Fees and Expenses and, subject to payment in full of any Trustee Fees and Expenses, 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, provided that, in respect of each day where payment hereunder is required to be made, the order of payment as referred to in the definition of "Administrative Expenses" shall not apply if such payment is to be made to a single creditor but shall apply if such payment is to be made to more than one creditor and provided further that no such payment hereunder shall be made during the period between and including the Determination Date and the immediately following Payment Date.

(xi) *First Period Reserve Account*

The Issuer shall procure that on or about the Issue Date €2,000,000 is paid into the First Period Reserve Account from the Collection Account.

The Issuer shall procure that one Business Day prior to the first Payment Date falling after the Issue Date, all amounts standing to the credit of the First Period Reserve Account (including all interest accrued thereon) shall be transferred to the Payment Account for disbursement pursuant to the Interest Priority of Payments.

(xii) *Collection Account*

The Issuer will procure that the following amounts are credited to the Collection Account:

(A) on the Issue Date, the net proceeds of issue of the Notes; and

(B) all amounts received in respect of any Collateral (other than as otherwise provided in Condition 3(j)(v) (*Counterparty Downgrade Collateral 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 Collection Account:

(1) on or about the Issue Date:

(a) in payment of amounts due or accrued with respect to action taken on or in connection with the Issue Date with respect to the issue of Notes, the entry into the Transaction Documents and the termination of the Warehouse Arrangements;

(b) amounts payable into the Expense Reserve Account;

(c) amounts required in order to finance the acquisition of certain Collateral Obligations on or prior to the Issue Date pursuant to the Warehouse Arrangements;

(d) to pay all other amounts due under the Warehouse Arrangements;

(e) to fund the First Period Reserve Account in an amount equal to €2,000,000; and

(f) any remaining amounts to the Unused Proceeds Account; and

(2) subject to the prior payment of all amounts pursuant to Condition 3(j)(xii)(1) (*Collection Account*) above, in transfer to the other Accounts as required in accordance with Condition 3(i) (*Accounts*) on a daily basis, such that the balance standing to the credit of the Collection Account at the end of each Business Day is zero.

(xiii) *Prefunded Commitment Account*

The Issuer shall procure that any Prefunded Commitment Utilisations received in accordance with the terms of the Liquidity Facility Agreement are paid into the Prefunded Commitment Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Prefunded Commitment Account as provided below:

(A) in the case of any Liquidity Drawings drawn by the Issuer in accordance with the terms of the Liquidity Facility Agreement, in payment of such amount to the Payment Account, as applicable;

(B) all payments in respect of interest (which amounts do not include any commitment fee payable on a Prefunded Commitment) relating to the Prefunded Commitment to the Liquidity Facility Provider in accordance with the terms of the Liquidity Facility Agreement;

(C) on each Payment Date that any of the Rated Notes are redeemed or purchased (in whole or in part), an amount equal to the reduction of the Available Commitment due to such redemption or purchase as determined in accordance with the terms of the Liquidity Facility Agreement; and

(D) on the date the Prefunded Commitment (or part thereof) is required to be repaid by the Issuer to the Liquidity Facility Provider pursuant to the terms of the Liquidity Facility Agreement, to the payment to the Liquidity Facility Provider of the Balance of the Prefunded Commitment Account.

4. **Security**

(a) *Security*

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes, the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and the Subscription Agreement (together with the obligations owed by the Issuer

to the other Secured Parties) 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 Collateral Obligations, Exchanged Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts and the Prefunded Commitment Account) and any other investments (other than any Counterparty Downgrade Collateral and the Prefunded Commitment), in each case held by the Issuer from time to time (where such rights are contractual rights (other than contractual rights the assignment of which would require the consent of a third party or the entry by the Trustee into an intercreditor agreement or deed) and where such contractual rights arise other than under securities), including, without limitation, 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 and first priority security interest granted over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Exchanged Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts and the Prefunded Commitment Account) and any other investments (other than any Counterparty Downgrade Collateral and any Prefunded Commitment), 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 and which are capable of being the subject of a first fixed charge and first priority security interest), 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 the Prefunded Commitment Account) and all moneys from time to time standing to the credit of such Accounts and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;

(iv) a first fixed charge and first priority security interest (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all present and future rights of the Issuer in respect of any Counterparty Downgrade Collateral standing to the credit of the relevant Counterparty Downgrade Collateral Account and Prefunded Commitments standing to the credit of the Prefunded Commitment Account, 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 relevant Counterparty Downgrade Collateral Account and the Prefunded Commitment Account, and all moneys from time to time standing to the credit of the relevant Counterparty Downgrade Collateral Account and the Prefunded Commitment Account and the debts represented thereby, subject, in each case, (a) to the rights of any Hedge Counterparty to Counterparty Downgrade Collateral pursuant to the terms of the relevant Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) and (b) to the rights of the Liquidity Facility Provider to the Prefunded Commitments pursuant to the terms of the Liquidity Facility Agreement and in each case, subject to any prior ranking security interest entered into by the Issuer in relation thereto in favour of the Hedge Counterparty or, as the case may be, the Liquidity Facility Provider;

(v) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Agency and Account Bank Agreement (to the extent it relates to the Custody Account) and a first fixed charge over all of the Issuer's right, 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) an assignment by way of security of all the Issuer's present and future rights under each Currency Hedge Agreement and each Interest Rate Hedge Agreement and each Currency Hedge Transaction and Interest Rate Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Currency Hedge Agreement or Interest Rate 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 contained in 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);

(vii) a first fixed charge over all of the Issuer's present and future rights against the Principal Paying Agent or other Agents in respect of 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);

(viii) an assignment by way of security of all the Issuer's present and future rights under any other Transaction Documents and all sums derived therefrom; and

(ix) 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 (ix) above, (A) any and all assets, property or rights which are located in, or governed by the laws of, The Netherlands (except for contractual rights or receivables (*rechten of vorderingen op naam*) which are assigned or charged to the Trustee pursuant to paragraphs (i) to (ix) above), (B) any and all Dutch Ineligible Securities; (C) the Issuer's rights under the Issuer Management Agreement; and (D) the Issuer's rights in respect of amounts standing to the credit of the Issuer Dutch Account.

The security created pursuant to paragraphs (i) to (ix) above is granted to the Trustee for itself and as trustee for the Secured Parties as continuing security for the payment of the Secured Obligations provided that the security granted by the Issuer over any collateral provided to the Issuer pursuant to a Hedge Agreement, or over any Prefunded Commitment provided to the Issuer pursuant to the Liquidity Facility Agreement, as the case may be, 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)(v) (*Counterparty Downgrade Collateral Accounts*) or the Prefunded Commitments deposited in the Prefunded Commitment Account pursuant to the Liquidity Facility Agreement, as the case may be) when such collateral is expressed to be available to the Issuer and (if a title transfer arrangement) to the extent that no equivalent amount is owed to the Hedge Counterparty pursuant to the relevant Hedge Agreement and/or Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) or the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement. 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 first fixed charges 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 to the fullest extent permitted under Dutch or any other mandatory law 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 the Conditions and the terms of the Collateral Management and

Administration Agreement, if no 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 under this paragraph 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:

(1) 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, repayment and redemption 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,

as security for the Issuer's obligations to repay such Counterparty Downgrade Collateral 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 Collateral 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

(2) by way of first priority security interest over amounts representing all or part of the Unfunded Amount of any Revolving Obligation or Delayed Drawdown Collateral Obligation and deposited in its name with a third party as security for any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation, subject to the terms of Condition 3(j)(vii) (*The Unfunded Revolver Reserve Account)* (including Rating Agency Confirmation),

excluding for the purposes of (1) to (2) (inclusive) above, (i) any and all assets, property or rights which are located in, or governed by the laws of, The Netherlands, and (ii) any and all Dutch Ineligible Securities.

The Issuer shall also secure its obligations in respect of the Liquidity Facility Agreement in favour of the Trustee for the benefit of, firstly, (to the extent amounts deposited in the Prefunded Commitment Account are repayable to the Liquidity Facility Provider), the Liquidity Facility Provider and, thereafter, to the other Secured Parties in accordance with the Priorities of Payment by way of a first fixed charge over all present and future rights of the Issuer in respect of the Prefunded Commitment Account and all moneys from time to time standing to the credit of the Prefunded Commitment Account and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof excluding (1) any and all assets, property or rights which are located in, or governed by the laws of, The Netherlands, and (2) any and all Dutch Ineligible Securities.

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. In the event that the ratings of the Custodian are downgraded to below the Rating Requirement or withdrawn, the Issuer shall use reasonable endeavours to procure that a

replacement Custodian with the Rating Requirement is appointed on substantially the same terms of the Agency and Account Bank Agreement.

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, a bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian 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. The Trustee has no responsibility for the management of the Portfolio by the Collateral Manager or to supervise the administration of the Portfolio by the Collateral Administrator or by any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. 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.

Pursuant to the Euroclear Security Agreement, the Issuer has also created in favour of the Trustee on behalf of the Secured Parties, a Belgian law pledge over the Collateral Obligations from time to time held by the Custodian (or its sub-custodians) on behalf of the Issuer in Euroclear.

(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 be applied in accordance with the priorities of payments set out in Condition 11 (*Enforcement*).

(c) *Limited Recourse*

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 Payments. Notwithstanding anything to the contrary in these Conditions or any other Transaction Document, if the net proceeds of realisation of the security constituted by the Trust Deed and the Euroclear Security Agreement, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed or otherwise 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 and in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payments. In such circumstances, the other assets (including the Issuer Dutch Account and its rights under the Issuer Management Agreement) of the Issuer will not be available for payment of such shortfall which shall be borne by the Class A-1 Noteholders, the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Subordinated Noteholders and the other Secured Parties in accordance with the Priorities of Payments (applied in reverse order). In such circumstances 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, the other Secured Parties (or any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law 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 and the Euroclear Security Agreement (including by appointing a receiver or an administrative receiver).

In addition, none of the Noteholders or any of the other Secured Parties shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligations, covenants or agreement entered into or made by the Issuer pursuant to the terms of these Conditions or any other Transaction Document to which the Issuer is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

None of the Trustee, the Managing Directors, the Initial Purchaser, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider and 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) *Acquisition and Sale of Portfolio*

Prior to the Issue Date, the Issuer acquired certain Collateral Obligations pursuant to the Warehouse Arrangements. The Collateral Manager is required to manage the Portfolio and to act in specific circumstances in relation to the Portfolio on behalf of the Issuer pursuant to the terms of, and subject to the parameters set out in the Collateral Management and Administration Agreement and subject to the overall supervision and control of the Issuer. The duties of the Collateral Manager, subject to the standard of care in, and the other provisions of, the Collateral Management and Administration Agreement, with respect to the Portfolio include (amongst others) the use of reasonable endeavours to:

(i) purchase (on behalf of the Issuer) Collateral Obligations on or prior to the Issue Date and during the Initial Investment Period;

(ii) invest the amounts standing to the credit of the Accounts (other than the Counterparty Downgrade Collateral Accounts, the Unfunded Revolver Reserve Account and the Payment Account) in Eligible Investments; and

(iii) sell (on behalf of the Issuer) certain of the Collateral Obligations and reinvest the Principal Proceeds received in Substitute Collateral Obligations in accordance with the criteria set out in the Collateral Management and Administration Agreement.

The Collateral Manager is required to monitor the Collateral Obligations with a view to seeking to determine whether any Collateral Obligation has converted into, or been exchanged for, an Exchanged Security or has become a Defaulted Obligation, provided that, if it fails to do so, it will not have any liability to the Issuer except as provided in the Collateral Management and Administration Agreement. No Noteholder shall have any recourse against any of the Issuer, the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, any other Agent or the Trustee for any loss suffered as a result of such failure.

Under the Collateral Management and Administration Agreement, the Issuer, the Controlling Class and the Subordinated Noteholders have certain rights in respect of the removal of the Collateral Manager and appointment of a replacement Collateral Manager.

(e) *Exercise of Rights in Respect of the Portfolio*

Pursuant to the Collateral Management and Administration Agreement, the Issuer authorises the Collateral 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 Collateral 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.

(f) *Information Regarding the Collateral*

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is made available upon publication, to each Noteholder of each Class upon request in writing therefor and to the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity

Facility Provider, the Hedge Counterparties and each Rating Agency via the Collateral Administrator's website currently located at https://tss.sfs.db.com/investpublic. It is not intended that such Monthly Reports and Payment Date Reports will be made available in any other format, save in limited circumstances with the Collateral Administrator's agreement. The Collateral Administrator's website does not form part of the information provided for the purposes of the Offering Circular and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wishing to access such website may be required to certify that they are Noteholders or otherwise entitled to access such website.

5. **Covenants of and Restrictions on the Issuer**

(a) *Covenants of the Issuer*

Unless otherwise provided in the Transaction Documents, the Issuer covenants to the Trustee on behalf of the holders of the Notes that, for so long as any Note remains Outstanding, the Issuer will:

(i) take such steps as are reasonable to enforce all its rights:

(A) under the Trust Deed;

(B) in respect of the Collateral;

(C) under the Agency and Account Bank Agreement;

(D) under the Collateral Management and Administration Agreement;

(E) under the Issuer Management Agreement;

(F) under the Risk Retention Letter;

(G) under each Collateral Acquisition Agreement;

(H) under any Hedge Agreements;

(I) under the Euroclear Security Agreement;

(J) under the Collateral Sub-Management Agreement; and

(K) under the Liquidity Facility Agreement

(ii) comply with its obligations under the Notes, the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and each other Transaction Document to which it is a party;

(iii) keep proper books of account in accordance with its obligations under Dutch law;

(iv) at all times maintain its tax residence outside the United Kingdom and the United States and will not establish a branch, agency (other than the appointment of the Collateral Manager, the Collateral Administrator and the Collateral Sub-Manager pursuant to the Collateral Management and Administration Agreement and the Collateral Sub-Management Agreement, as applicable), place of business (save for the activities conducted by the Collateral Manager or the Collateral Sub-Manager on its behalf) or other permanent establishment or register as a company or any other entity in the United Kingdom or the United States;

(v) conduct its business and affairs such that, at all times:

(A) it shall maintain its registered office in The Netherlands;

(B) it shall hold all meetings of its board of directors in The Netherlands with all of the Managing Directors physically attending in The Netherlands and ensure that

all of its directors are resident in The Netherlands for tax purposes, that they will exercise their management and control over the business and the Issuer independently and that those directors (acting independently) exercise their authority only from and within The Netherlands by taking all key decisions relating to the Issuer in The Netherlands;

(C) it shall not open any office or branch or place of business outside of The Netherlands;

(D) it shall not knowingly take any action (save to the extent necessary for the Issuer to comply with its obligations under the Transaction Documents) which will cause its "centre of main interests" (within the meaning of European Council Regulation No. 1346/2000 on Insolvency Proceedings (the "**Insolvency Regulations**") to be located in any jurisdiction other than The Netherlands and will not establish any offices, branches or other permanent establishments (as defined in the Insolvency Regulations) or register as a company or any other entity in any jurisdiction other than The Netherlands;

(vi) pay its debts generally as they fall due;

(vii) do all such things as are necessary to maintain its corporate existence;

(viii) use its best endeavours to obtain and maintain the listing on the Global Exchange Market of the Irish Stock Exchange of the outstanding Notes of each Class. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listings are agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the holders of the Outstanding Notes of each Class would not thereby be materially prejudiced, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing for such Notes on such other stock exchange(s) as it may (with the approval of the Trustee) decide;

(ix) supply such information to the Rating Agencies as they may reasonably request;

(x) ensure that its tax residence is and remains at all times only in The Netherlands;

(xi) ensure an agent is appointed to assist in creating and maintaining the Issuer's website to enable the Rating Agencies to comply with Rule 17g-5.

(b) *Restrictions on the Issuer*

For so long as any of the Notes remain Outstanding, save as provided in the Transaction Documents, the Issuer covenants to the holders of such Outstanding Notes that (to the extent applicable) it will not, without the prior written consent of the Trustee:

(i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral;

(ii) sell, factor, discount, transfer, assign, lend or otherwise dispose of, nor create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over, any of its other property or assets or any part thereof or interest therein;

(iii) engage in any business other than:

(A) acquiring and holding any property, assets or rights that are capable of being effectively secured in favour of the Trustee or that are capable of being held on trust by the Issuer in favour of the Trustee under the Trust Deed;

(B) issuing and performing its obligations under the Notes;

(C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and each other Transaction Document to which it is a party, as applicable; or

(D) performing any act incidental to or necessary in connection with any of the above;

(iv) amend any term or Condition of the Notes of any Class;

(v) agree to any amendment to any provision of, or grant any waiver or consent under the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement, the Liquidity Facility Agreement, the Issuer Management Agreement, or any other Transaction Document to which it is a party;

(vi) guarantee or incur any indebtedness for borrowed money;

(vii) amend its constitutional documents;

(viii) have any subsidiaries or establish any offices, branches or other "establishment" (as that term is used in article 2(h) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) outside of The Netherlands;

(ix) have any employees (for the avoidance of doubt the Managing Directors of the Issuer do not constitute employees);

(x) enter into any reconstruction, amalgamation, merger or consolidation;

(xi) convey or transfer all or a substantial part of its properties or assets (in one or a series of transactions) to any person, except for dividends payable to the Foundation;

(xii) issue any shares (other than the share that is in issue as at the Issue Date) nor redeem or purchase any of its issued share capital;

(xiii) enter into any material agreement or contract with any Person (other than an agreement on customary market terms which for the avoidance of doubt will include agreements to buy and sell obligations and documentation relating to restructurings (including steering committee indemnity letters)), which terms do not contain the provisions below) unless such contract or agreement contains "limited recourse" and "non-petition" provisions and such Person agrees that, prior to the date that is one year and one day after all the related obligations of the Issuer have been paid in full (or, if longer, the applicable preference period under applicable insolvency law), such Person shall not take any action or institute any proceeding against the Issuer under any insolvency law applicable to the Issuer or which would reasonably be likely to cause the Issuer to be subject to or seek protection of, any such insolvency law; provided that such Person shall be permitted to become a party to and to participate in any proceeding or action under any such insolvency law that is initiated by any other Person other than one of its Affiliates;

(xiv) release from or terminate the appointment of the Custodian or the Account Bank under the Agency and Account Bank Agreement, the Collateral Manager or the Collateral Administrator under the Collateral Management and Administration Agreement (including, in each case, any transactions entered into thereunder), the Liquidity Facility Provider under the Liquidity Facility Agreement or, in each case, from any executory obligation thereunder;

(xv) comingle its assets with those of any other Person or entity; or

(xvi) enter into any lease in respect of, or own, premises.

6. **Interest**

(a) *Payment Dates*

(i) *Floating Rate Notes*

The Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes each bear interest from (and including) the Issue Date and such interest will be payable quarterly at any time prior to the commencement of a Frequency Switch Period and thereafter, semi-annually (or, in the case of interest accrued during the initial Accrual Period, for the period from (and including) the Issue Date to (but excluding) the first Payment Date) 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 paragraph (CC) of the Interest Priority of Payments, paragraph (S) of the Principal Priority of Payments and paragraph (Y) of the Post-Acceleration Priority of Payments on each Payment Date or other relevant payment date and shall continue to be payable in accordance with this Condition 6 (*Interest*) notwithstanding redemption in full of any Subordinated Note at its applicable Redemption Price.

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 such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of each such Class of Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute interest payable in respect of such 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 each such Class of 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.

If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Subordinated Notes but shall only be payable on any Payment Date or other payment date following payment in full of amounts payable pursuant to the Priorities of Payments on such Payment Date or other payment date.

(b) *Interest Accrual*

(i) *Floating Rate Notes*

Each Floating Rate Note (or, as the case may be, the relevant part thereof due to be redeemed) 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 6 (*Interest*) (both before and after judgment) 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 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 or Principal Proceeds or, where applicable, other net proceeds of enforcement of the security over the Collateral, remain available for distribution in accordance with the Priorities of Payments.

(c) *Deferral of Interest*

For so long as they are not the Controlling Class, the Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes in full on any Payment Date, in each case to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payments.

In the case of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, for so long as they are not the Controlling Class, an amount of interest equal to any shortfall in payment of the Interest Amount which would, but for the first paragraph of this Condition 6(c) (*Deferral of Interest*) otherwise be due and payable in respect of such Class on any Payment Date (each such amount being referred to as "**Deferred Interest"**) will not be payable on such Payment Date, but will be added to the principal amount of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as applicable, and thereafter will accrue interest at the rate of interest applicable to that Class, and the failure to pay such Deferred Interest to the holders of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as applicable, will not be an Event of Default until the Maturity Date or any earlier date on which the Notes are to be redeemed in full.

If the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes are the then Controlling Class, Deferred Interest shall not be added to the principal amount of such Class and failure to pay any Interest Amount due and payable on such Class within five Business Days (or seven Business Days due to an administrative error or omission in accordance with Condition 10 (*Events of Default*)) of the Payment Date in full will constitute an Event of Default. Interest will cease to accrue on each Note, or in the case of a partial repayment, on such part, from the due date for repayment thereof unless payment of principal is improperly withheld or unless default is otherwise made with respect to such payment of principal.

(d) *Payment of Deferred Interest*

Deferred Interest in respect of any Class B Note, Class C Note, Class D Note or Class E Note shall only become payable by the Issuer in accordance with the relevant paragraphs of the Interest Priority of Payments, the Principal Priority of Payments and the Post-Acceleration Priority of Payments and under the Note Payment Sequence in each place specified in the Priorities of Payments, to the extent that Interest Proceeds or Principal Proceeds, as applicable, or, where applicable, other net proceeds of enforcement of the security over the Collateral, are available to make such payment in accordance with the Priorities of Payments (and, if applicable, the Note Payment Sequence). For the avoidance of doubt, for so long as they are not the Controlling Class, Deferred Interest on the Class B Notes, the Class C Notes, the Class D Notes and/or the Class E Notes, as applicable will be added to the principal amount of the relevant Class, as applicable. An amount equal to any such Deferred Interest so paid shall be subtracted from the principal amount of the Class B Notes, the Class C Notes, the Class D Notes and/or the Class E Notes, as applicable.

(e) *Interest on the Floating Rate Notes*

(i) *Floating Rate of Interest*

The rate of interest from time to time in respect of the Class A-1 Notes (the "**Class A-1 Floating Rate of Interest**"), in respect of the Class A-2 Notes (the "**Class A-2 Floating Rate of Interest**"), in respect of the Class B Notes (the "**Class B 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 each a "**Floating Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(1) On each Interest Determination Date, the Calculation Agent will determine the offered rate for (i) prior to the commencement of a Frequency Switch Period, three month Euro deposits, (ii) after the commencement of a Frequency Switch

Period, six month Euro deposits, provided that (x) if a Frequency Switch Period occurs on a date which is not a Payment Date, the Calculation Agent will determine a straight line interpolation of the offered rate for three month and six month Euro deposits and (y) if, after the commencement of a Frequency Switch Period, the Payment Dates occur on 20 January and 20 July, the Calculation Agent will determine the offered rate for three month Euro deposits for the last Accrual Period and (iii) in the case of the initial Accrual Period, as determined pursuant to a straight line interpolation of the rates applicable to three and six month Euro deposits, in each case as at 11.00 am (Brussels time) on the Interest Determination Date in question. Such offered rate will be that which appears on the display designated on the Reuters Screen "EURIBOR01" (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Class A-1 Floating Rate of Interest, the Class A-2 Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, and the Class E Floating Rate of Interest for each Accrual Period shall be the aggregate of the Applicable Margin (as defined below) and the rate which so appears, all as determined by the Calculation Agent.

(2) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (1) 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 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 for a period of (i) prior to the commencement of a Frequency Switch Period, three months, (ii) after the commencement of a Frequency Switch Period, six months, provided that (x) if a Frequency Switch Period occurs on a date which is not a Payment Date, the Calculation Agent will determine a straight line interpolation of the offered rate for three month and six month Euro deposits and (y) if, after the commencement of a Frequency Switch Period, the Payment Dates occur on 20 January and 20 July, the Calculation Agent will determine the offered rate for three month Euro deposits for the last Accrual Period and (iii) in the case of the initial Accrual Period, for three and six months, in each case as at 11.00 am (Brussels time) on the Interest Determination Date in question. The Class A-1 Floating Rate of Interest, the Class A-2 Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, and the Class E Floating Rate of Interest for such 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 such quotations (or of such of them, being at least two, as are so provided), all as determined by the Calculation Agent.

(3) If on any Interest Determination Date one only or none of the Reference Banks provides such quotation, the Class A-1 Floating Rate of Interest, the Class A-2 Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, and the Class E Floating Rate of Interest, respectively, for the next Accrual Period shall be the Class A-1 Floating Rate of Interest, the Class A-2 Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, and the Class E Floating Rate of Interest in each case in effect as at the immediately preceding Accrual Period.

(4) Where:

"**Applicable Margin**" means:

(i) in the case of the Class A-1 Notes: 1.40 per cent. per annum (the "Class A-1 Margin");

(ii) in the case of the Class A-2 Notes: 2.10 per cent. per annum (the "Class A-2 Margin");

(iii) in the case of the Class B Notes: 3.00 per cent. per annum (the "Class B Margin");

(iv) in the case of the Class C Notes: 3.85 per cent. per annum (the "Class C Margin");

(v) in the case of the Class D Notes: 5.10 per cent. per annum (the "Class D Margin"); and

(vi) in the case of the Class E Notes: 6.10 per cent. per annum (the "Class E Margin").

(ii) *Determination of Floating Rate of Interest and Calculation of Interest Amount*

The Calculation Agent will, as soon as practicable after 11.00 am (Brussels time) on each Interest Determination Date, but in no event later than the Business Day after such date, determine the Class A-1 Floating Rate of Interest, the Class A-2 Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, and the Class E Floating Rate of Interest and calculate the interest amount payable in respect of original principal amounts of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, and the Class E Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The amount of interest (the "**Interest Amount**") payable in respect of each Authorised Integral Amount applicable to any such Notes shall be calculated by applying the Class A-1 Note Floating Rate of Interest in the case of the Class A-1 Notes, Class A-2 Note Floating Rate of Interest in the case of the Class A-2 Notes, the Class B Floating Rate of Interest in the case of the Class B 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 and the Class E Floating Rate of Interest in the case of the Class E Notes, respectively, to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, multiplying the product by the actual number of days in the Accrual Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

(iii) *Reference Banks and Calculation Agent*

The Issuer will procure that, so long as any Class A-1 Note, Class A-2 Note, Class B Note, Class C Note, Class D Note, or Class E Note remains Outstanding:

(1) 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

(2) in the event that the Class A-1 Floating Rate of Interest, Class A-2 Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, Class D Floating Rate of Interest, and the Class E Floating Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (2) of Condition 6(e)(i) (*Floating Rate of Interest*), that the number of Reference Banks required pursuant to such paragraph (2) are requested to provide a quotation.

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 Accrual Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer shall (with the prior 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*

Solely in respect of Subordinated Notes, the Collateral Administrator will as of each Determination Date calculate the Interest Proceeds and the Principal Proceeds payable to the extent of available funds in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The Interest Proceeds and the Principal Proceeds payable on each Payment Date in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds to be applied on the Subordinated Notes on the applicable Payment Date pursuant to paragraph (CC) of the Interest Priority of Payments, paragraph (S) of the Principal Priority of Payments and paragraph (Y) of the Post-Acceleration Priority of Payments by fractions equal to the amount of such 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 will cause the Class A-1 Floating Rate of Interest, Class A-2 Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, and the Class E Floating Rate of Interest or 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 B Notes, Class C Notes, Class D Notes or Class E Notes for each Accrual 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 U.S. Paying Agent, the Exchange Agent, the Transfer Agent, the Trustee and the Collateral Manager, for so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange, the Irish Stock Exchange 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 A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes or the Payment Date in respect of any Class so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual 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 in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason so calculate the Class A-1 Floating Rate of Interest, the Class A-2 Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, or the Class E Floating Rate of Interest for an Accrual Period, the Trustee (or a person appointed by it for the purpose) may do so and such determination or calculation shall be deemed to have been made by the Calculation Agent and shall be binding on the Noteholders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition 6 (*Interest*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and reliance on such persons as it has appointed for such purpose. The Trustee shall have no liability to any person in connection with any determination or calculation (including with regard to the timelines thereof) it may make pursuant to this Condition 6(h) (*Determination or Calculation by Trustee*).

(i) *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 Trustee, 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 U.S. Paying Agent, the Exchange Agent, the Transfer Agent, the Liquidity Facility Provider and all Noteholders and (in the absence as referred to above) no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Calculation Agent or the Trustee in connection with the exercise or non exercise by them of their powers, duties and discretions under this Condition 6(i) (*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 Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be redeemed at their Redemption Price in accordance with the Note Payment Sequence and the Subordinated Notes will be redeemed at the amount equal to their share of the amounts of Principal Proceeds to be applied towards such redemption pursuant to paragraph (S) of the Principal Priority of Payments. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) *Optional Redemption*

(i) *Optional Redemption in Whole - Subordinated Noteholders*

Subject to the provisions of Condition 7(b)(iii) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(v) (*Optional Redemption effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices:

(A) on any Payment Date falling on or after expiry of the Non-Call Period at the option of the holders of the Subordinated Notes acting by way of Ordinary Resolution (as evidenced by duly completed Redemption Notices);

(B) upon the occurrence of a Collateral Tax Event, on any Payment Date falling after such occurrence at the direction of the Subordinated Noteholders acting by Extraordinary Resolution (as evidenced by duly completed Redemption Notices);

(ii) *Optional Redemption in Part – Collateral Manager/Subordinated Noteholders*

Subject to the provisions of Condition 7(b)(iii) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*), the Rated Notes of any Class may be redeemed by the Issuer at the applicable Redemption Prices, solely from Refinancing Proceeds (in accordance with Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*) below) on any Payment Date falling on or after expiry of the Non-Call Period if (i) the Collateral Manager proposes to the Subordinated Noteholders at least 30 days prior to the Redemption Date to redeem such Class of Rated Notes, subject to the Subordinated Noteholders (acting by Ordinary Resolution) approving such proposal or (ii) the Subordinated Noteholders (acting by Ordinary Resolution) direct the Issuer to redeem such Class of Rated Notes. No such Optional Redemption may occur unless the Rated Notes to be redeemed represents the entire Class of such Rated Notes.

(iii) *Terms and Conditions of an Optional Redemption*

In connection with any Optional Redemption:

(A) the Issuer shall procure that at least 30 days' prior written notice of such proposed Optional Redemption (but stating that such redemption is subject to satisfaction of the conditions set out in this Condition 7(b) (*Optional Redemption*), including the anticipated Redemption Date, and the anticipated Redemption Price therefor, is given to the Trustee and the Noteholders in accordance with Condition 16 (*Notices*);

(B) the Issuer shall procure at least four Business Days' prior written notice of such Optional Redemption, including the applicable Redemption Date and the relevant Redemption Price therefor, is given to the Trustee and the Noteholders in accordance with Condition 16 (*Notices*);

(C) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices (subject, in the case of an Optional Redemption of the Rated 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 and the Collateral Manager no later than 30 days prior to the relevant Redemption Date;

(D) the Collateral Manager shall have no right or other ability to prevent an Optional Redemption directed by the Subordinated Noteholders in accordance with this Condition 7(b) (*Optional Redemption*);

(E) any such redemption must comply with the procedures set out in Condition 7(b)(vii) (*Mechanics of Redemption*); and

(F) any redemption in part of the Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Subordinated Noteholders*) may be effected solely from Refinancing Proceeds in accordance with Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*) below.

(iv) *Optional Redemption effected in whole or in part through Refinancing*

Following receipt of, or, as the case may be, confirmation from the Principal Paying Agent of receipt of, a direction in writing from the Subordinated Noteholders (acting by way of Ordinary Resolution) to exercise any right of optional redemption pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*) or Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Subordinated Noteholders*), the Issuer may:

(A) in the case of a redemption in whole of all Classes of Rated Notes (1), enter into a loan (as borrower thereunder) with one or more financial institutions (qualifying as a "professional market party" pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) the "**Dutch FSA**"); or (2) issue replacement notes (in accordance with the provisions of the Dutch FSA); and

(B) in the case of a redemption in part of the entire Class of a Class of Rated Notes, issue replacement notes (in accordance with the provisions of the Dutch FSA),

(each, a "**Refinancing Obligation**"),whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer (any such refinancing, a "**Refinancing**"). The terms of any Refinancing and the identity of any financial institutions acting as lenders or purchasers thereunder are subject to the prior written consent of the Subordinated Noteholders (acting by Ordinary Resolution) and each Refinancing is

required to satisfy the conditions described in this Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*).

Refinancing Proceeds may be applied in addition to (or in place of) Sale Proceeds in the redemption of the Rated Notes in whole pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*). In addition, Refinancing Proceeds may be applied in the redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Subordinated Noteholders*).

(C) Refinancing in relation to a Redemption in Whole

In the case of a Refinancing in relation to the redemption of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*) as described above, such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to the Rating Agencies and each Hedge Counterparty;

(2) all Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments and all other available funds will be at least sufficient to pay any Refinancing Costs and all amounts due and payable in respect of all Classes of Notes save for the Subordinated Notes (including without limitation Deferred Interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payments (subject to any election to receive less than 100 per cent. of the Redemption Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments;

(3) all Principal Proceeds, Refinancing Proceeds, Sale Proceeds, and amounts standing to the credit of the Supplemental Reserve Account, if any, and other available funds are used (to the extent necessary) to make such redemption;

(4) 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; and

(5) all Refinancing Proceeds and all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as confirmed to the Issuer and the Trustee by the Collateral Manager.

(D) Refinancing in relation to a Redemption in Part

In the case of a Refinancing in relation to a redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part - Collateral Manager/Subordinated Noteholders*), such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to the Rating Agencies and each Hedge Counterparty;

(2) the Refinancing Obligations are in the form of notes;

(3) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption;

(4) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Priority of Payments prior to paying any amount in respect of the Subordinated Notes will be at least sufficient to pay in full:

(a) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption; plus

(b) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing;

(5) the Refinancing Proceeds and amounts standing to the credit of the Supplemental Reserve Account are used (to the extent necessary) to make such redemption;

(6) 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;

(7) the aggregate principal amount of the Refinancing Obligations for each Class is equal to the aggregate Principal Amount Outstanding of such Class of Notes being redeemed with the Refinancing Proceeds;

(8) the maturity date of each class of Refinancing Obligation is the same as the Maturity Date of the Class or Classes of Notes being redeemed with the Refinancing Proceeds;

(9) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption (taking into account any discount on issuance);

(10) payments in respect of the Refinancing Obligations are subject to the Priorities of Payments and rank at the same priority pursuant to the Priorities of Payments as the relevant Class or Classes of Rated Notes being redeemed;

(11) the voting rights, consent rights, redemption rights and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class of Rated Notes being redeemed; and

(12) all Refinancing Proceeds are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as confirmed to the Issuer and the Trustee by the Collateral Manager.

If, in relation to a proposed optional redemption of the Notes (in part or in whole, as applicable), any of the relevant conditions specified in this Condition 7(b)(iv) (*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 notice of such cancellation to the Trustee, the Collateral Manager and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, the Agents or the Trustee shall be liable to any party, including the Subordinated Noteholders, for any failure to obtain a Refinancing.

(E) Consequential Amendments

Following a Refinancing, the Trustee shall, save as provided below, agree to the modification of the Trust Deed and the other Transaction Documents to the extent which the Issuer certifies is necessary to reflect the terms of the Refinancing, subject as provided below. No further consent for such amendments shall be required from the holders of Notes other than from the holders of the Subordinated Notes acting by way of an Ordinary Resolution.

The Trustee will not be obliged to enter into any modification that, in its opinion, 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, of the Trustee in respect of the Transaction Documents, and the Trustee will be entitled to conclusively rely upon an officer's certificate or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) provided by the Issuer or any other party to any Transaction Document to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Notes (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).

(v) *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 a direction in writing from the (i) (x) Subordinated Noteholders (acting by way of Ordinary Resolution) or (y) the Controlling Class (acting by way of Extraordinary Resolution), as the case may be, or (ii) a direction in writing from the Collateral Manager (in the case of Condition 7(b)(vi) (*Optional Redemption in Whole—Collateral Manager Clean-up Call*), as the case may be, to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following a Note Tax Event*) to be effected solely through the liquidation or realisation of the Collateral, and, in each case, subject to the establishment of a reasonable reserve as determined by the Trustee following consultation with the Collateral Manager, the Issuer and the Collateral Administrator for all administrative and other fees and expenses payable in such circumstances under the Priorities of Payment prior to the payment of principal on the Notes of each Class (provided that the Trustee shall have no liability to any person in connection with the establishment of any reserve made by it pursuant to this Condition 7(b)(v) (*Optional Redemption effected through a Liquidation only*)), the Collateral Administrator shall, as soon as practicable, and in any event not later than 10 Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**"), provided that the Collateral Administrator has received notice or confirmation at least 14 Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount in consultation with the Collateral Manager. The Collateral Manager or any of its Affiliates will be permitted to purchase Collateral Obligations in the Portfolio where the Noteholders exercise their right of early redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*).

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 Collateral Manager shall have furnished to the Trustee a certificate signed by an officer of the Collateral Manager that the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions (which (a) either (x) has a short-term issuer credit rating of at least "P-1" by Moody's or (y) in respect of which Rating Agency

Confirmation from Moody's has been obtained and (b) either (x) has a long-term issuer credit rating of at least "A" by Fitch or, if it does not have a long-term issuer credit rating by Fitch, a short-term issuer credit rating of "F1" by Fitch, or (y) in respect of which a Rating Agency Confirmation from Fitch has been obtained) to purchase (directly or by participation or other arrangement) from the Issuer, not later than two Business Days prior to the scheduled Redemption Date (or such shorter date as agreed between the Collateral Manager and the Trustee) 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;

(B) (i) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager certifies to the Trustee that, in its judgment, the aggregate sum of (x) expected proceeds from the sale of Eligible Investments, and (y) for each Collateral Obligation, the product of its Principal Balance and its Market Value, shall at least be sufficient to meet the Redemption Threshold Amount, and (ii) at least five Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Collateral Obligations at least sufficient to meet the Redemption Threshold Amount.

Any certification delivered by the Collateral Manager pursuant to this Condition 7(b)(v) (*Optional Redemption effected through Liquidation only*) must include (1) the prices on the date of such certification of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Obligations and/or Eligible Investments and (2) all calculations required by this Condition 7(b) (*Optional Redemption*). Any Noteholder, the Collateral Manager or any of the Collateral Manager's Affiliates shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Obligations to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(v) (*Optional Redemption effected through Liquidation only*).

The Trustee shall rely conclusively and without liability on any confirmation or certificate of the Collateral Manager furnished by it pursuant to or in connection with this Condition 7(b)(v) (*Optional Redemption effected through Liquidation only*).

If conditions (A) and (B) above are not satisfied, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager and the Noteholders in accordance with Condition 16 (*Notices*).

(vi) *Optional Redemption in Whole—Collateral Manager Clean-up Call*

Subject to the provisions of Condition 7(b)(iii) (*Terms and Conditions of an Optional Redemption*), the Rated Notes may be redeemed in whole but not in part by the Issuer, at the applicable Redemption Prices, from Sale Proceeds on any Payment Date falling on or after expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Principal Balance is less than 15 per cent. of the Target Par Amount and if directed in writing by the Collateral Manager.

(vii) *Mechanics of Redemption*

Following calculation by the Collateral Administrator with the assistance of the Collateral Manager 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 Management and Administration Agreement and shall notify the Issuer, the Trustee, the Collateral Manager, the Collateral Sub-Manager and the Principal Paying Agent.

Any exercise of a right of Optional Redemption by the Subordinated Noteholders pursuant to this Condition 7(b) (*Optional Redemption*) or the Controlling Class or the Subordinated Noteholders pursuant to Condition 7(g) (*Redemption following a Note*

Tax Event) shall be effected by delivery to the Principal Paying Agent, by the requisite amount of Subordinated Noteholders or the requisite amount of Notes comprising the Controlling Class (as applicable) held thereby of duly completed Redemption Notices not less than 30 days prior to the proposed Redemption Date. No Redemption Notice so delivered or any direction given by the Collateral Manager may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Collateral Manager received to each of the Issuer, the Trustee, the Collateral Administrator, the Hedge Counterparties, the Collateral Sub-Manager and the Collateral Manager.

The Collateral Manager shall notify the Issuer, the Trustee, the Collateral Sub-Manager, the Collateral Administrator, the Liquidity Facility Provider, each Hedge Counterparty and the Principal Paying Agent upon satisfaction of all of the conditions set out in this Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*) and shall use commercially reasonable endeavours to 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 Collateral Management and Administration Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with this Condition 7(b) (*Optional Redemption*) and/or Condition 7(g) (*Redemption following Note Tax Event*) in the Payment Account on or before the Business Day prior to the applicable Redemption Date. Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of the Rated Notes shall be payable in accordance with the Post-Acceleration Priority of Payments. In the case of any redemption in whole of a Class of Rated Notes the relevant Refinancing Proceeds (other than a redemption in whole of all Classes of Rated Notes) shall be paid to the Noteholders of such Class of Notes subject to payment of amounts in priority in accordance with the Priorities of Payments.

(viii) *Optional Redemption of Subordinated Notes*

The Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Payment Date on or after the redemption or repayment in full of the Rated Notes, at the direction of the Subordinated Noteholders (acting by Ordinary Resolution) or the Collateral Manager (subject to the consent of the Subordinated Noteholders (acting by Ordinary Resolution)).

(c) *Mandatory Redemption upon Breach of Coverage Tests*

(i) *Class A Notes*

If the Class A Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class A Interest Coverage Test is not met on the Determination Date immediately preceding the Payment Date occurring on 20 January 2015 or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A-1 Notes and the Class A-2 Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(ii) *Class B Notes*

If the Class B Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class B Interest Coverage Test is not met on the Determination Date immediately preceding the Payment Date occurring on 20 January 2015 or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A-1 Notes, the Class A-2 Notes and the Class B Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(iii) *Class C Notes*

If the Class C Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class C Interest Coverage Test is not met on the Determination Date immediately preceding the Payment Date occurring on 20 January 2015 or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A-1 Notes, the Class A-2 Notes, the Class B 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 Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(iv) *Class D Notes*

If the Class D Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class D Interest Coverage Test is not met on the Determination Date immediately preceding the Payment Date occurring on 20 January 2015 or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A-1 Notes, the Class A-2 Notes, the Class B 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 Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(d) *Special Redemption*

Principal payments on the Notes shall be made in accordance with the Principal Priority of Payments at the discretion of the Collateral Manager (acting on behalf of the Issuer), if at any time during the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) certifies (upon which certification the Trustee may rely without further enquiry) to the Trustee that, using commercially reasonable endeavours, it has been unable, for a period of 20 consecutive Business Days, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion which 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 that are to be invested in additional Collateral Obligations or Substitute Collateral Obligations (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 Principal Proceeds which, using commercially reasonable endeavours, cannot be reinvested in additional Collateral Obligations or Substitute Collateral Obligations by the Collateral Manager (a "**Special Redemption Amount**") will be applied in accordance with paragraph (O) of the Principal Priority of Payments. Notice of payments pursuant to this Condition 7(d) (*Special Redemption*) shall be given by the Issuer in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to the Noteholders and to each Rating Agency. For the avoidance of doubt, the exercise of a Special Redemption shall be at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer) and the Collateral 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.

(e) *Redemption upon Effective Date Rating Event*

In the event that as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payments, in each case, until redeemed in full or, if earlier, until an Effective Date Rating Event is no longer continuing.

(f) *Redemption following Expiry of the Reinvestment Period*

Following expiry of the Reinvestment Period, the Issuer shall, on each Payment Date occurring thereafter, 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 Payments.

(g) *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 change 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) to the Trustee and the Noteholders that it is not able to effect such change of residence 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 Trustee and the Noteholders that, based on advice received by it, it expects that it shall have changed its place of residence by the end of the latter 90 day period), the Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, may 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 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; provided further that 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)(v) (*Optional Redemption effected through Liquidation only*).

(h) *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*).

(i) *Cancellation and Purchase*

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 payment as provided herein, for cancellation pursuant to paragraph (k) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

(j) *Notice of Redemption*

The Issuer shall procure that 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.

(k) *Purchase*

On any Payment Date, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using Principal Proceeds standing to the credit of the Principal Account or the Supplemental Reserve Account.

No purchase of Rated Notes by the Issuer may occur unless each of the following conditions is satisfied:

(i) such purchase of Rated Notes shall occur in the following sequential order of priority: first, the Class A-1 Notes, until the Class A-1 Notes are purchased or redeemed in full and cancelled; second, the Class A-2 Notes, until the Class A-2 Notes are purchased or redeemed in full and cancelled; third, the Class B Notes, until the Class B Notes are purchased or redeemed in full and cancelled; fourth, the Class C Notes, until the Class C Notes are purchased or redeemed in full and cancelled; fifth, the Class D Notes, until the Class D Notes are purchased or redeemed in full and cancelled; sixth, the Class E Notes, until the Class E Notes are purchased or redeemed in full and cancelled;

(ii)

(A) each such purchase of Rated Notes of any Class shall be made pursuant to an offer made to all holders of the Rated Notes of such Class, by notice to such holders, which notice shall specify the purchase price (as a percentage of par) at which such purchase will be effected, the maximum amount of Principal Proceeds and amounts standing to the credit of the Supplemental Reserve Account that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;

(B) each such holder of a Rated Note shall have the right, but not the obligation, to accept such offer in accordance with its terms; and

(C) if the aggregate Principal Amount Outstanding of Notes of the relevant Class held by holders who accept such offer exceeds the amount of Principal Proceeds specified in such offer, a portion of the Notes of each accepting holder shall be purchased *pro rata* based on the respective Principal Amount Outstanding held by each such holder subject to adjustment for Authorised Denominations if required;

(iii) each such purchase shall be effected only at prices discounted from par;

(iv) each such purchase of Rated Notes shall occur prior to the expiry of the Reinvestment Period;

(v) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase or, if any Coverage Test is not satisfied it shall be at least maintained or improved after giving effect to such purchase compared with what it was immediately prior thereto;

(vi) if Sale Proceeds are used to consummate any such purchase, either:

(A) each requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied after giving effect to such purchase; or

(B) if any requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests was not satisfied immediately prior to such purchase, such requirement or test will be maintained or improved after giving effect to such purchase;

(vii) no Event of Default shall have occurred and be continuing;

(viii) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold;

(ix) each Rating Agency is notified of such purchase; and

(x) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of The Netherlands).

Upon instruction by the Issuer, the Registrar shall cancel any such purchased Rated Notes surrendered to it for cancellation. The cancellation (and/or decrease, as applicable) of any such surrendered Rated Notes shall be taken into account for purposes of all relevant calculations.

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 the Principal Paying Agent or 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 the Principal Paying Agent or 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.

(b) *Payments*

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA. No commission shall be charged to the Noteholders.

(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) *Principal Paying Agent and Transfer Agent*

The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent and the Transfer Agent and appoint additional or other Agents, provided that it will maintain (i) a Principal Paying Agent and (ii) a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, in each case, as approved in writing by the Trustee and shall procure that it shall at all times maintain a Custodian, Account Bank, Collateral Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Collateral 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 The Netherlands or the United States, or any political sub-division or any authority therein or thereof or elsewhere in the world having power to tax, unless such withholding or

deduction is required by law. For the avoidance of doubt, 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 or any such relevant taxing authority or in connection with FATCA. Any withholding or deduction covered by the above shall not constitute an Event of Default under Condition 10(a) (*Events of Default*).

Payments will be subject to any other fiscal or other laws and regulations applicable thereto in any jurisdiction and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws or regulations.

Any withholding or deduction required from amounts payable by the Issuer pursuant to this Condition 9 (*Taxation*) shall be deemed to be included in the same paragraph in the Priorities of Payment as the paragraph which contains the payment in respect of which such withholding or deduction is required to be made.

Subject as provided below, if the Issuer certifies (upon which certification the Trustee may rely without further enquiry) to the Trustee that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by the laws of The Netherlands to withhold 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, 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 approved by the Trustee, subject to receipt of Rating Agency Confirmation in relation to such change, provided that the Trustee's approval shall be subject to confirmation of tax counsel (obtained at the cost of the Issuer) that such a substitution and/or change in tax residence would be effective in eliminating the imposition of such tax.

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 The Netherlands (including without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member or 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 or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with The Netherlands or other applicable taxing authority;

(c) in respect of a payment made or secured for the immediate benefit of an individual or a non corporate entity which is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or any arrangement entered into between the Member States and certain third countries and territories in connection with the Directive;

(d) as a result of presentation for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Transfer Agent in a Member State of the European Union;

(e) in connection with FATCA; or

(f) any combination of the preceding clauses (a) through (e) inclusive,

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) *Events of Default*

Any of the following events shall constitute an "**Event of Default**":

(i) *Non payment of interest*

the Issuer fails to pay any interest in respect of the Class A-1 Notes or the Class A-2 Notes, when the same becomes due and payable or, following redemption and payment in full of the Class A-1 Notes and the Class A-2 Notes, the Issuer fails to pay any interest in respect of any Class B Note when the same becomes due and payable or, following redemption and payment in full of the Class B Notes, the Issuer fails to pay any interest in respect of any Class C Note when the same becomes due and payable or, following redemption and payment in full of the Class C Notes, the Issuer fails to pay any interest in respect of any Class D Note when the same becomes due and payable, or, following redemption and payment in full of the Class D Notes, the Issuer fails to pay any interest in respect of any Class E Note when the same becomes due and payable and, in each case, failure to pay such interest in such circumstances continues for a period of at least five Business Days provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least seven Business Days; provided further, that the failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with these Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default;

(ii) *Non payment of principal*

the Issuer fails to pay any amount due (including, for the avoidance of doubt, principal) when the same becomes due and payable on any Rated Note on the Maturity Date or any Redemption Date provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least five Business Days and provided further that, failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with the Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default;

(iii) *Default under Priorities of Payments*

the failure on any Payment Date to disburse amounts (other than (i) or (ii) above) available in the Payment Account in excess of €1,000 and payable in accordance with the Priorities of Payments and continuation of such failure for a period of five Business Days, provided that, in the case of a failure to disburse due to an administrative error or omission or another non credit-related reason (as determined by the Collateral Manager acting in a commercially reasonable manner and certified in writing to the Trustee (upon which certification the Trustee may rely absolutely), but without liability as to such determination), such failure continues for ten Business Days after the Collateral Administrator receives written notice of, or has actual knowledge of, such administrative error or omission;

(iv) *Collateral Obligations*

on any Measurement Date after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to (1) the Collateral Principal Amount plus (2) the aggregate in respect of each Defaulted Obligation of its Market Value multiplied by its Principal Balance on such date and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A-1 Notes, to equal or exceed 102.5 per cent.;

(v) *Breach of Other Obligations*

except as otherwise provided in this definition of "Event of Default", a default in the performance by, or breach of any covenant of, the Issuer under the Trust Deed and/or these Conditions (provided that (1) any failure to meet any Portfolio Profile Test, Collateral Quality Test, Coverage Test or the Reinvestment Overcollateralisation Test, (2) any failure to satisfy the requirements in relation to the Initial Investment Period, (3) any failure to obtain annually from the Rating Agencies written confirmation of, or an update to, a credit estimate previously issued with respect to a Collateral Obligation, and (4) any failure to provide information for the purposes of compliance by any Rating Agency with Rule 17g-5, shall not be an Event of Default) or the failure of any representation, warranty, undertaking or other agreement of the Issuer made in the Trust Deed and/or these Conditions or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, both (A) such default, breach or failure is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of any Class and (B) the continuation of such default, breach or failure for a period of 30 days after the earlier of (a) the Issuer having actual knowledge of such default, breach or failure or (b) notice being given to the Issuer, the Hedge Counterparties and the Collateral Manager by registered or certified mail or courier from the Trustee, the Issuer or the Collateral Manager, or to the Issuer and the Collateral Manager from the Controlling Class acting pursuant to an Ordinary Resolution, in each case copied to the Trustee (as applicable), specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**" under the Trust Deed; provided that if the Issuer (as notified to the Trustee by the Collateral Manager in writing) has commenced curing such default, breach or failure during the 30 day period specified above, such default, breach or failure shall not constitute an Event of Default under this paragraph (v) unless it continues for a period of 45 days (rather than, and not in addition to, such 30 day period specified above) after the earlier of the Issuer having actual knowledge thereof or notice thereof in accordance herewith;

(vi) *Insolvency Proceedings*

proceedings are initiated against the Issuer under any applicable liquidation, examinership, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, examiner, curator or other similar insolvency official (a "**Receiver**") is appointed in relation to such proceedings and the whole or any substantial part 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 30 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, 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 the Trustee or by an Extraordinary Resolution of the Controlling Class);

(vii) *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

(viii) *Investment Company Act*

the Issuer or any of the Collateral becomes required to register as an "Investment Company" under the Investment Company Act and such requirement continues for 45 days.

(b) *Acceleration*

If an Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by way of Extraordinary Resolution, (subject, in each case, to being indemnified and/or secured and/or prefunded 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 Hedge Counterparties, the Liquidity Facility Provider, the Collateral Manager and the Collateral Sub-Manager that all the Notes are immediately due and repayable (such notice, an "**Acceleration Notice**"), whereupon the Notes shall become immediately due and repayable at their applicable Redemption Prices, provided that upon the occurrence of an Event of Default described in paragraph (vi) of the definition thereof, an Acceleration Notice shall be deemed to have been given and all the Notes shall automatically become immediately due and repayable at their applicable Redemption Prices.

(c) *Curing of Default*

At any time after an Acceleration Notice has been given pursuant to Condition 10(b) (*Acceleration*) following the occurrence of an Event of Default (other than with respect to an Event of Default occurring under paragraph (vi) of the definition thereof) and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee, subject to receipt of consent in writing from the Controlling Class, may and shall, if so requested by the Controlling Class, in each case, acting by Extraordinary Resolution (and subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded 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 under paragraph (b) above 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;

(C) all unpaid Administrative Expenses up to the Senior Expenses Cap and all Trustee Fees and Expenses;

(D) all amounts due and payable by the Issuer under the Liquidity Facility Agreement; and

(E) all amounts due and payable by the Issuer under any Currency Hedge Agreement or Interest Rate Hedge Agreement; and

(ii) the Trustee has determined that all 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 paragraph (b) above due to such Events of Default, have been cured or waived.

All amounts received in respect of this Condition 10(c) (*Curing of Default*) shall be distributed promptly following receipt by or on behalf of the Trustee of such amounts in accordance with the Post Acceleration Priority of Payment.

Any previous rescission and annulment of an Acceleration Notice pursuant to this paragraph (c) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or, as subsequently requested, accelerates the Notes or if the Notes are automatically accelerated in accordance with paragraph (b) above.

(d) *Restriction on Acceleration*

No acceleration of the Notes shall be permitted by any Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(e) *Notification and Confirmation of No Default*

The Issuer shall immediately notify the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider, the Noteholders in accordance with Condition 16 (*Notices*) and the Rating Agencies upon becoming aware of the occurrence of an Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis that no Event of Default has occurred and that no condition, event or act has occurred 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 an Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

11. **Enforcement**

(a) *Security Becoming Enforceable*

Subject as provided in paragraph (b) below, the security constituted by the Trust Deed and the Euroclear Security Agreement over the Collateral shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*), subject to such acceleration not having been rescinded or annulled by the Trustee pursuant to Condition 10(c) (*Curing of Default*).

(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 (but subject always to Condition 4(c) (*Limited Recourse*)), and shall, if so directed by the Controlling Class acting by Extraordinary Resolution (subject, in each case, as provided in Condition 11(b)(ii) (*Enforcement*)), institute such proceedings or take such other action against the Issuer or take any other action 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 other 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 in accordance with the Trust Deed (such actions together, "**Enforcement Actions**"), in each case without any liability as to the consequences of such 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 the individual Noteholders of any 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 secured and/or prefunded to its satisfaction, the Trustee (or an agent or appointee on its behalf) determines, subject to consultation by the Trustee or such agent or appointee with the Collateral Manager, 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 B Notes, the Class C Notes, the Class D Notes and the Class E Notes) other than the Subordinated Notes and all amounts payable in priority thereto pursuant to the Post-Acceleration Priority of Payments (such amount the "**Enforcement Threshold**" and such determination being an "**Enforcement Threshold Determination**") and the Controlling Class agrees with such determination by an Extraordinary Resolution (in which case the Enforcement Threshold will be met); or

(B) if the Enforcement Threshold will not have been met then, subject as provided in paragraph (ii) below:

(1) in the case of an Event of Default specified in sub-paragraph (i), (ii), (iv) or (vi) of Condition 10(a) (*Events of Default*), the Controlling Class

directs the Trustee by Extraordinary Resolution to take Enforcement Action without regard to any other Event of Default which has occurred prior to, contemporaneously or subsequent to such Event of Default; or

(2) in the case of any other Event of Default, the Noteholders of each Class of Rated Notes acting by Extraordinary Resolution separately by Class direct the Trustee to take Enforcement Action;

(ii) the Trustee shall not be bound to institute any Enforcement Action or take any other action unless it is directed to do so by the Controlling Class acting by Extraordinary Resolution and, in the case of Condition 11(b)(i)(B)(2) (*Enforcement*), each Class of Rated Notes, acting by Extraordinary Resolution and, in each case, the Trustee is indemnified and/or secured and/or prefunded 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 A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the Trustee shall (provided it is indemnified and/or secured and/or prefunded 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) act upon the directions of the Subordinated Noteholders acting by Extraordinary Resolution; and

(iii) for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio, the anticipated proceeds to be realised from any Enforcement Action and whether the Enforcement Threshold will be met, the Trustee may appoint an independent investment banking firm or other appropriate advisor to advise it and may obtain and rely on an opinion and/or advice of such independent investment banking firm or other appropriate advisor (the cost of which shall be payable as Trustee Fees and Expenses).

The Trustee shall notify the Noteholders, the Issuer, the Agents, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider, the Hedge Counterparties and the Rating Agencies in the event that it makes an Enforcement Threshold Determination at any time or takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following the effectiveness of an Acceleration Notice which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or, as the case may be following automatic acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or Condition 7(g) (Redemption following a Note Tax Event), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral or amounts standing to the credit of the Interest Account which represent Hedge Issuer Tax Credit Payments which are required to be paid or returned to a Hedge Counterparty outside the Priorities of Payments in accordance with the Hedge Agreement and/or Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) or any Prefunded Commitment Utilisation which is required to be paid or returned to the Liquidity Facility Provider outside the Priorities of Payment in accordance with the Liquidity Facility Agreement) shall be credited to the Payment Account and shall be distributed 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 "**Post-Acceleration Priority of Payments**"):

(A) to the payment of taxes owing by the Issuer accrued (other than the Issuer Profit Amount referred to below), as certified by an Authorised Officer of the Issuer to the Trustee, if any, (save for any value added tax payable in respect of any Collateral Management Fee or any other tax payable in relation to any amount payable to the Secured Parties); and to the payment of the Issuer Profit Amount, for deposit into the Issuer Dutch Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap, provided that upon the occurrence of

an Event of Default under Condition 10(a) (*Events of Default*) the Senior Expenses Cap shall not apply in respect of such Trustee Fees and Expenses until such Event of Default has been cured or waived;

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above, provided that upon the occurrence of an Event of Default under Condition 10(a) (*Events of Default*) the Senior Expenses Cap shall not apply until such Event of Default has been cured or waived;

(D) to the payment of the following amounts due and payable under the Liquidity Facility Agreement:

(1) *firstly*, to the Liquidity Facility Provider of any Liquidity Facility Interest Amounts due and payable on such Payment Date;

(2) *secondly*, to the Liquidity Facility Provider of any Liquidity Facility Commitment Fee Amounts due and payable on such Payment Date; and

(3) *thirdly*, to the Liquidity Facility Provider of any Liquidity Drawings due and payable on such Payment Date;

(E) to the payment:

(1) *firstly*, on a *pro rata* basis to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date together with any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) save for any Deferred Senior Management Amounts which shall not be paid pursuant to this paragraph; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees and any interest thereon calculated in accordance with the terms of the Collateral Management and Administration Agreement (other than Deferred Senior Management Amounts) together with any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority),

(F) to the payment, on a *pro rata* basis, of (i) any Scheduled Periodic Hedge Issuer Payments, (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Currency Account or the Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Interest Account or the Hedge Termination Account and other than Defaulted Interest Rate Hedge Termination Payments);

(G) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class A-1 Notes;

(H) to the redemption on a *pro rata* basis of the Class A-1 Notes, until the Class A-1 Notes have been redeemed in full;

(I) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class A-2 Notes;

(J) to the redemption on a *pro rata* basis of the Class A-2 Notes, until the Class A-2 Notes have been redeemed in full;

(K) to the payment on a *pro rata* basis of the Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class B Notes;

(L) to the redemption on a *pro rata* basis of the Class B Notes, until the Class B Notes have been redeemed in full;

(M) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class C Notes;

(N) to the payment on a *pro rata* basis of any Deferred Interest on the Class C Notes;

(O) to the redemption on a *pro rata* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(P) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class D Notes;

(Q) to the payment on a *pro rata* basis of any Deferred Interest on the Class D Notes;

(R) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(S) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class E Notes;

(T) to the payment on a *pro rata* basis of any Deferred Interest on the Class E Notes;

(U) to the redemption on a *pro rata* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(V) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date together with any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee and any interest thereon calculated in accordance with the terms of the Collateral Management and Administration Agreement (other than Deferred Senior Management Amounts and Deferred Subordinated Management Amounts) together with any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(3) *thirdly*, to the Collateral Manager in payment of any Deferred Senior Management Amounts and Deferred Subordinated Management Amounts (including any interest thereon calculated in accordance with the terms of the Collateral Management and Administration Agreement), the deferral of which has been rescinded by the Collateral Manager;

(W) to the payment (1) *firstly*, of Trustee Fees and Expenses not paid by reason of the Senior Expenses Cap (if any), (2) *secondly*, of Administrative Expenses not paid by reason of the Senior Expenses Cap (if any), in relation to each item

thereof, on a *pro rata* basis and (3) *thirdly*, any increased costs under the Liquidity Facility Agreement;

(X) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to any Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payment due to an Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Hedge Termination Account or any relevant Counterparty Downgrade Collateral Account); and

(Y) (1) if the Incentive Collateral Management Fee IRR Threshold has not been reached, any remaining Interest Proceeds and Principal Proceeds to the payment 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 Collateral Management Fee IRR Threshold is reached; and

(2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date including pursuant to paragraphs (1) above, (CC) of the Interest Priority of Payments and (S) of the Principal Priority of Payments, the Incentive Collateral Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) 20 per cent. of any remaining Interest Proceeds and Principal Proceeds, to the payment to the Collateral Manager as an Incentive Collateral Management Fee exclusive of and together with any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(b) any remaining Interest Proceeds and Principal Proceeds, to the payment 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 and immediately prior to such redemption).

(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, in respect of the Collateral, 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 and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee.

(d) *Purchase of Collateral by Noteholders or Collateral Manager*

Upon any sale of any part of the Collateral following the acceleration of the Notes under Condition 10(b) (*Acceleration*), whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder, the Collateral Manager or any of its Affiliates or Related Entities 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 Payments, had the purchase price been paid in cash, is equal to or exceeds such purchase price.

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 date on which payment is respect of such Notes is received by the applicable Paying Agent.

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 Irish Stock Exchange 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 for 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 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, Extraordinary Resolution, Unanimous Resolution or Written Resolution, in each case, either acting together (subject as provided in paragraph (ix) below) or, to the extent specified in any applicable Transaction Document or these Conditions, by a Class of Noteholders acting independently. Ordinary Resolutions, Extraordinary Resolutions and Unanimous 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 paragraph (iii) below. 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. in principal amount of the Notes Outstanding of a particular Class, subject to certain conditions including minimum notice periods. Where decisions are required to be taken by a Written Resolution of a Class or Classes under the Trust Deed or these Conditions, such decision may only be made in accordance with Condition 14(b)(iv) (*Written Resolutions*) below.

Notice of any Resolution passed by the Noteholders will be given by the Issuer to the Rating Agencies in writing.

(ii) *Quorum*

The quorum required for any meeting convened to consider an Ordinary Resolution, Extraordinary Resolution or Unanimous Resolution, in each case, of all the Noteholders or of any Class or Classes of Noteholders, 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 66⅔ per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing any Notes (or of the relevant Class or Classes only, if applicable) regardless of the aggregate Principal Amount Outstanding of Notes so held or represented
Ordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing any Notes (or of the relevant Class or Classes only, if applicable) regardless of the aggregate Principal Amount Outstanding of Notes so held or represented
Unanimous Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing 100 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing 100 per cent. of the aggregate Principal Amount Outstanding of the Notes (or 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 percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons who vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are voted or, (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes entitled to be voted in respect of such Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Per cent.
Unanimous Resolution of all Noteholders (or of a certain Class or Classes only)	100 per cent.
Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	Not less than 66⅔ per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	Not less 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 Unanimous Resolution, Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

(v) *All Resolutions Binding*

Subject to Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*) and in accordance with the Trust Deed, any Resolution of the Noteholders (including any resolution of a specified Class or Classes of Noteholders, where the resolution of one or more other 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) *Unanimous Resolution*

Any Resolution to sanction any of the following items will be required to be passed by a Unanimous Resolution (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable):

(A) the modification of any of the provisions of the Trust Deed which would directly and adversely affect the amount or the calculation of the amount of any payment of interest or principal on any Note;

(B) the adjustment of the outstanding principal amount of the Notes Outstanding of the relevant Class (other than as contemplated by these Conditions including in connection with a further issue of Notes pursuant to Condition 17 (*Additional Issuances*) and in connection with a Refinancing pursuant to Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*)); and

(C) a change in the currency of payment of the Notes of a Class.

(vii) *Extraordinary Resolution*

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable):

(A) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed;

(B) any item requiring approval by Extraordinary Resolution pursuant to these Conditions or any Transaction Document;

(C) 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 as contemplated by these Conditions (including in connection with a Refinancing);

(D) the modification of any provision relating to the timing and/or circumstances of the payment of interest or redemption of the Notes of a Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated) other than as contemplated by these Conditions (including in connection with a Refinancing);

(E) any change in the Priorities of Payments or of any payment items in the Priorities of Payments;

(F) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution; and

(G) any modification of Condition 14(b)(vi) or (vii) (*Decisions and Meetings of Noteholders*).

(viii) *Ordinary Resolution*

Any meeting of the Noteholders shall (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable) have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (vi) (*Unanimous Resolution*) and paragraph (vii) (*Extraordinary Resolution*) above.

(ix) *Resolutions affecting Other Classes*

If and for so long as any Notes of more than one Class are Outstanding, in relation to any Meeting of Noteholders:

(a) subject to paragraphs (c) and (d) below, a Resolution which in the opinion of the Trustee affects only the Notes of a Class or Classes (the "**Affected Class(es)**"), but not another Class or Classes, as the case may be, shall be duly passed if passed at a meeting or meetings of the holders of the Notes of the Affected Class(es) and such Resolution shall be binding on all the Noteholders, including the holders of Notes which are not an Affected Class;

(b) subject to paragraphs (c) and (d) below, a Resolution which in the opinion of the Trustee affects the Notes of each Class shall be duly passed only if passed at meetings of the Noteholders of each Class;

(c) a Resolution passed by the Controlling Class to exercise any rights granted to them pursuant to the Conditions or any Transaction Document shall be duly passed if passed at a meeting of the Controlling Class and such Resolution shall be binding on all the Noteholders; and

(d) a Resolution passed by the Subordinated Noteholders to exercise the rights granted to them pursuant to the Conditions shall be passed if passed only at a meeting of the Subordinated Noteholders and such resolution shall be binding on all of the Noteholders.

(c) *Modification and Waiver*

The Trust Deed and the Collateral Management and Administration Agreement both provide that, without the consent of the Noteholders (other than as otherwise specified below), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management and Administration Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto) (as applicable), and the Trustee shall (subject to the below) consent to (without (except in the case of paragraphs (x), (xiii) and (xvi) below and only to the extent provided therein) the consent of the Noteholders) such amendment, supplement, modification or waiver subject as provided below (other than in the case of an amendment, modification, supplement or waiver, pursuant to paragraphs (xi) or (xiii) 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;

(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 such changes as shall be necessary or advisable in order for the Notes of each Class to be (or to remain) listed on the Global Exchange Market of the Irish Stock Exchange or any other exchange;

(vi) to amend, modify, enter into, accommodate the execution or facilitate the transfer by the relevant Hedge Counterparty of any Hedge Agreement upon terms satisfactory to the Collateral Manager and subject to receipt of Rating Agency Confirmation;

(vii) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;

(viii) to take any action advisable to prevent the Issuer from being treated as resident in the UK for UK tax purposes, as trading in the UK for UK tax purposes or as subject to any additional value added tax in respect of any Collateral Management Fees;

(ix) to take any action advisable to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise be subject to United States federal, state or local income tax on a net income basis;

(x) to enter into any additional agreements not expressly prohibited by the Trust Deed or the Collateral Management and Administration Agreement (as applicable), provided that (x) any such additional agreements include customary limited recourse and non-petition provisions and (y) the consent of the Controlling Class and the Subordinated Noteholders, in each case acting by Ordinary Resolution has been obtained;

(xi) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error;

(xii) subject to Rating Agency Confirmation and the consent of the Controlling Class acting by Ordinary Resolution, to make any modifications to the Collateral Quality Tests, Portfolio Profile Tests, Reinvestment Criteria or Eligibility Criteria and all related definitions (including in order to reflect changes in the methodology applied by the Rating Agencies);

(xiii) to make any other modification, and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any other Transaction Document which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders of any Class and, in the case of a modification of each Transaction Document, subject to the consent of the Subordinated Noteholders acting by Ordinary Resolution;

(xiv) to amend the name of the Issuer;

(xv) to make any amendments to the Trust Deed or any other Transaction Document to enable the Issuer to qualify as, or comply with any obligations or requirements imposed on, a "Participating FFI" within the meaning of U.S. Treasury Regulation Section

1.1471-1(b)(85) or a "deemed-compliant FFI" within the meaning of U.S. Treasury Regulation Section 1.1471-5(f), or to comply with FATCA;

(xvi) to modify or amend any components of the Fitch Test Matrix or the Moody's Test Matrix in order that they may be consistent with the criteria of the Rating Agencies, subject to receipt of Rating Agency Confirmation from Fitch or Moody's, as applicable, and the consent of the Controlling Class and the Subordinated Noteholders, in each case acting by Ordinary Resolution;

(xvii) to make any changes necessary (x) to reflect any additional issuances of Notes in accordance with Condition 17 (*Additional Issuances*) or (y) to issue any replacement notes in accordance with Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(iv)(E) (*Consequential Amendments*);

(xviii) to modify the Transaction Documents in order to comply with Rule 17g-5 of the Exchange Act;

(xix) to modify the terms of the Transaction Documents in order that they may be consistent with the requirements of the Rating Agencies, including to address any change in the rating methodology employed by either Rating Agency, in a manner that an officer of the Collateral Manager certifies to the Trustee would not materially adversely affect the interests of the Noteholders of any Class, subject to receipt by the Trustee of Rating Agency Confirmation in respect of the Rated Notes from each Rating Agency then rating the Rated Notes (upon which certification and confirmation the Trustee shall be entitled to rely without liability);

(xx) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document to comply with changes in the Retention Requirements;

(xxi) to make such changes as shall be necessary to facilitate the Issuer to effect a Refinancing in part in accordance with Condition 7(b)(iv) (*Optional Redemption effected in whole or in part through Refinancing*);

(xxii) to make such changes as are necessary to facilitate the transfer of any Hedge Agreement to a replacement counterparty or the roles of any Agent to a replacement agent, in each case in circumstances where such Hedge Counterparty or Agent does not satisfy the applicable Rating Requirement and subject to such replacement counterparty or agent (as applicable) satisfying the applicable requirements in the Transaction Documents;

(xxiii) to modify the Transaction Documents in order to comply with EMIR, AIFMD, Solvency II, CRA, the Dodd-Frank Act and any requirements of the CFTC, including any implementing regulation, technical standards and guidance related thereto; and

(xxiv) to amend, modify or supplement any Hedge Agreement subject to receipt of Rating Agency Confirmation or such Hedge Agreement being a Form Approved Hedge following such amendment to the extent necessary to allow the Issuer or the relevant Hedge Counterparty to comply with any enactment, promulgation, execution or ratification of, or any change in or amendment to, any law or regulation (or in the application or official interpretation of any law or regulation) that occurs after the parties enter into the Hedge Agreement.

Any such modification, authorisation or waiver shall be binding upon the Noteholders and shall be notified by the Issuer as soon as practicable following the execution of any supplemental trust deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

(A) each Rating Agency, so long as any of the Rated Notes remain Outstanding; and

(B) the Noteholders in accordance with Condition 16 (*Notices*).

Notwithstanding anything to the contrary herein and in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any provisions of the Transaction Documents if such change shall (i) affect the order of priority of any payment payable to the Liquidity Facility Provider or the Hedge Counterparty or (ii) have a material adverse effect on the rights or obligations of the Liquidity Facility Provider or the Hedge Counterparty without the Liquidity Facility Provider's or, as the case may be, the Hedge Counterparty's prior written consent or on the rights of the Collateral Manager without the Collateral Manager's prior written consent. The Issuer agrees that it shall notify the Liquidity Facility Provider, the Collateral Manager, the Collateral Sub-Manager and each Hedge Counterparty of any proposed amendment to be made to any Transaction Document in accordance with the relevant Transaction Document.

The Trustee shall, without the consent or sanction of any of the Noteholders (other than as otherwise specified above) or any other Secured Party, concur with the Issuer, in making any modification, amendment, waiver or authorisation which the Issuer certifies to the Trustee (upon which certification the Trustee is entitled to rely) is required pursuant to the paragraphs above (other than a modification, waiver or authorisation pursuant to paragraph (xi) or (xiii) above) to the Transaction Documents, provided that the Trustee shall not be obliged to agree to any modification 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, of the Trustee in respect of the Transaction Documents.

Without prejudice to the Trustee's rights under the Trust Deed to take legal or other expert advice in relation to modifications, waivers or authorisations, in the case of a request for consent to a modification, amendment, waiver or authorisation pursuant to paragraphs (xi) and (xiii) above, the Trustee shall be entitled to obtain legal, financial or other expert advice, at the expense of the Issuer, and rely on such advice in connection with determining whether or not to give such consent (if applicable or required) as it sees fit.

(d) *Substitution*

The Trust Deed contains provisions permitting the Trustee to agree, 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 such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as the Rating Agency may require), to a change of the law governing the Notes and/or the Trust Deed, 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 as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, including receipt of Rating Agency Confirmation, 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.

The Issuer shall procure that, so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange any material amendments or modifications to the Conditions, the Trust Deed or such other conditions made pursuant to this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

(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 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)), 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*).

The Trust Deed provides that in the event of any conflict of interest between or among the holders of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E 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 A-1 Noteholders over the Class A-2 Noteholders, Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders, (ii) the Class A-2 Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, Class E Noteholders and the Subordinated Noteholders, (iii) Class B Noteholders over the Class C Noteholders, the Class D Noteholders, Class E Noteholders and the Subordinated Noteholders, (iv) the Class C Noteholders over the Class D Noteholders, Class E Noteholders and the Subordinated Noteholders, (v) the Class D Noteholders over the Class E Noteholders and the Subordinated Noteholders, and (vi) the Class E 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 paragraph, each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that, except as expressly provided otherwise in any applicable Transaction Document or these Conditions, the Trustee will act upon the directions of the holders of the Controlling Class (or other Class where the holders of the Class or Classes having priority over such other Class do not have an interest in the subject matter of such directions) (in each case acting by Extraordinary Resolution) subject to being indemnified and/or secured and/or prefunded 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, provided that such action is consistent with the applicable law and with all other provisions of the Trust Deed.

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.

(f) *Collateral Manager*

The Trust Deed and the Collateral Management and Administration Agreement provide that the Collateral Manager may, subject to the satisfaction of certain conditions, without the prior consent of the Noteholders or any other Secured Party, assign and transfer all of its rights and obligations under the Collateral Management and Administration Agreement to the Collateral Sub-Manager by entering into a novation, amendment and restatement agreement (the "**Collateral Management Restatement Agreement**") substantially in the form of the Collateral Management and Administration Agreement with, inter alios, the Collateral Sub-Manager, whereupon the Collateral Manager will be released from all of its rights and obligations under the Collateral Management and Administration Agreement and the Collateral Sub-Manager will be appointed as Collateral Manager and will, save to the extent amended by the Collateral Management Restatement Agreement, assume all of the rights and obligations of the Collateral Manager under the Collateral Management and Administration Agreement. In connection with the execution of the Collateral Management Restatement Agreement, the Collateral Sub-Management Agreement shall be terminated without the prior consent of the Noteholders or any other Secured Party, and each of the Collateral Manager and the Collateral Sub-Manager will be released from all of its rights and obligations under the

Collateral Sub-Management Agreement. By purchasing a Note, a Noteholder will be deemed to have consented to any such assignment and/or transfer.

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 prefunded 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 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 of any of its duties under the Agency and Account Bank Agreement, for the performance by the Collateral Manager of any of its duties under the Collateral Management and Administration Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Management and Administration Agreement, for the performance of the Liquidity Facility Provider of its duties under the Liquidity Facility 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 or operation of the Collateral including the request by the Collateral 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 of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange. 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 shall be at liberty to 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 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.

17. **Additional Issuances**

(a) The Issuer may from time to time on any Business Day, subject to the approval of the Subordinated Noteholders, the Retention Holder, the Collateral Manager, the Collateral Sub-Manager and, in the case of the issuance of additional Class A-1 Notes or Class A-2 Notes, subject to the written approval of the Controlling Class, in each case of such Noteholders acting by 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 such Class (unless otherwise provided), and will use the proceeds of sale thereof to purchase additional Collateral Obligations 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 Collateral Obligations, provided that the following conditions are met:

(i) such additional issuances in relation to the applicable Class of Notes may not exceed 100.0 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 (except in the case of an additional issuance in connection with a Refinancing) the net proceeds invested in Collateral Obligations or, pending such investment, during the Initial Investment Period deposited in the Unused Proceeds Account or, thereafter, deposited in the Principal Account and, in each case, invested in Eligible Investments;

(iii) 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;

(iv) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance and obtain Rating Agency Confirmation from each Rating Agency in respect of such additional issuance;

(v) the Coverage Tests will be satisfied after giving effect to such additional issuance of Notes;

(vi) the holders of the relevant Class of Notes in respect of which further Notes are issued shall have been notified in writing 30 Business 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;

(vii) (so long as the existing Notes of the Class of Notes to be issued are listed on the Global Exchange Market of the Irish Stock Exchange) the additional Notes of such Class to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the Global Exchange Market of the Irish Stock Exchange (for so long as the rules of the Irish Stock Exchange so requires);

(viii) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of The Netherlands and do not adversely affect the Dutch tax position of the Issuer;

(ix) any issuance of additional Notes shall be accomplished in a manner that will allow the Issuer to provide the information described in United States Treasury Regulation Section 1.1275-3(b)(1) to the holders of such additional notes;

(x) no additional Notes may be issued if such issuance of additional Notes would result in the Collateral Sub-Manager ceasing to hold a principal amount representing no less than 5 per cent. of each Class of Notes; and

(xi) an opinion of tax counsel of nationally recognised standing in the United States experienced in such matters shall be delivered to the Trustee to the effect that such issuance would not adversely affect the U.S. tax characterisation as debt of any outstanding Rated Notes that were characterised as debt at the time of issuance and any issuance of additional Class A Notes, Class B Notes and Class C Notes will, and Class D Notes should, be treated as debt for US federal income tax purposes.

(b) The Issuer may, with the approval of the Subordinated Noteholders (acting by Ordinary Resolution), the Collateral Manager, the Collateral Sub-Manager and the Retention Holder, also issue and sell additional Subordinated Notes (without issuing Notes of any other Class) having the same terms and conditions as existing Subordinated Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Subordinated Notes, provided that:

(i) the subordination terms of such Subordinated Notes are identical to the terms of the previously issued Subordinated Notes;

(ii) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Subordinated Notes must be identical to the terms of the previously issued Subordinated Notes;

(iii) such additional Subordinated Notes are issued for a cash subscription price, and the net proceeds are (a) invested in Collateral Obligations or Eligible Investments or, pending such investment, deposited in, the Unused Proceeds Account prior to the expiry of the Initial Investment Period or the Principal Account after the expiry of the Initial Investment Period and in each case invested in Eligible Investments, provided that the Issuer or the Collateral Manager (acting on behalf of the Issuer) shall not enter into any binding commitments to purchase Collateral Obligations with such proceeds, until such proceeds have been deposited into the Unused Proceeds Account or the Principal Account (as applicable) or (b) paid into the Interest Account and used to make payments on any Payment Date in accordance with the Priorities of Payments;

(iv) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance;

(v) the holders of the Subordinated Notes shall have been notified in writing 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Subordinated Notes in an amount not to exceed the Anti Dilution Percentage of such additional Subordinated Notes and on the same terms offered to investors generally;

(vi) such additional Subordinated Notes must be issued for a cash subscription price at least equal to the sum of (a) EUR 1,000,000 and (b) if the Class D Par Value Test is not satisfied immediately prior to such issuance, the amount of cash required in order to cure the Class D Par Value Test;

(vii) any more than three such issuances of additional Subordinated Notes shall require the approval of the Controlling Class acting by way of Ordinary Resolution;

(viii) such additional issuance is in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of The Netherlands and do not adversely affect the Dutch tax position of the Issuer; and

(ix) no additional Subordinated Notes may be issued if such issuance of additional Subordinated Notes would result in the Collateral Sub-Manager ceasing to hold a principal amount representing no less than 5 per cent. of the Subordinated Notes.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any other securities issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Notes. Any further securities forming a single series with Notes constituted by the Trust Deed or any deed supplemental to it 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 arising out of or in any way relating to the Trust Deed or any Class of Notes are governed by and shall be construed in accordance with English law. The Issuer Management Agreement and the Letter of Undertaking are governed by and shall be construed in accordance with Dutch law.

(b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes 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 Corporate Services Ltd (having an office, at the date hereof, at 6 St Andrew Street, 5th Floor, London, EC4A 3AE, United Kingdom) 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 the Trustee and the Noteholders of such appointment. 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 after payment of fees and expenses payable on or about the Issue Date (including, without duplication amounts deposited into the Expense Reserve Account) are expected to be approximately €350,845,000. Such proceeds will be used by the Issuer to pay the acquisition costs for the Collateral Obligations acquired by the Issuer on or prior to the Issue Date (including other amounts due in order to finance the acquisition of Collateral Obligations) pursuant to the Warehouse Arrangements. The remaining proceeds shall be (a) used to fund the First Period Reserve Account in an amount equal to €2,000,000 and (b) deposited into the Unused Proceeds Account to be utilised to fund the acquisition of Collateral Obligations complying with the Eligibility Criteria and the other requirements of the Collateral Management and Administration Agreement purchased by the Issuer during the Initial Investment Period (as defined in the Conditions).

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 (other than, in certain circumstances, the Class D Notes, the Class E Notes and the Subordinated Notes as described below) 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 for 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 not a U.S. Person, and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only to a person whom the seller reasonably believes (a) to be a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Global Certificate. See "*Transfer Restrictions*".

The Rule 144A Notes of each Class (other than, in certain circumstances, the Class D Notes, the Class E Notes and the Subordinated Notes as described below) 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, DTC. Beneficial interests in a Rule 144A Global Certificate may only be held through DTC at any time. 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/QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Trust Deed. See "*Transfer Restrictions*".

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and as set forth in Rule 144A, and the Notes will bear the applicable legends regarding the restrictions set forth 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/QP 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 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 transferee of a Class D Note, a Class E 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 D Note, Class E Note or Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless, in the case of a Controlling Person, 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 Controlling Person (substantially in the form of Annex B).

Any Class D Note, Class E Note or Subordinated Note in the form of a Definitive Certificate shall be registered in the name of the holder thereof.

The Notes are not issuable in bearer form.

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 in definitive form (See "*Terms and Conditions*"). 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 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 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 Company Announcements Office of the Irish Stock Exchange for so long as such Notes are listed on the Global Exchange Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange 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 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.

- *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 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' option in Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*) 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 Definitive Certificate or Global Certificate for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*).

- *Record Date* – The Record Date will mean the close of business on the Clearing System Business Day before the relevant due date for payment of principal and interest in respect of such security.

Exchange for Definitive Certificates

Exchange

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Definitive 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, DTC 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.

In addition, interests in Global Certificates representing Class D Notes, Class E Notes or Subordinated Notes may be exchangeable for interests in a Definitive Certificate representing the Class D Notes, the Class E Notes or the Subordinated Notes if a transferee is acting on behalf of a Controlling Person provided: (i) such transferee has obtained the consent of the Issuer in respect of such transfer; and (ii) the transferee has provided the Issuer with a certification substantially in the form of Schedule 8 to the Trust Deed (*Form of ERISA Certificate*).

Interests in Global Certificates representing Class D Notes, Class E Notes or Subordinated Notes may be exchangeable for interests in Definitive Certificates representing Class D Notes, Class E Notes or Subordinated Notes in accordance with the Conditions as amended above.

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.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

"**Definitive 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 any 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 Class D Note, a Class E Note or a Subordinated Note in registered definitive form, as applicable, 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 B. Upon the transfer, exchange or replacement of a Class D Note, a Class E Note or a Subordinated Note in registered definitive form, as applicable, 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, as applicable, the Issuer will deliver only Class D Notes, Class E Notes or Subordinated Notes 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 forth 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 or DTC (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 Collateral Manager, the Collateral Sub-Manager, the Initial Purchaser or any Agent party to the Agency and Account Bank 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, Clearstream, Luxembourg and DTC

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg and DTC 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.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Investors may hold their interests in a Rule 144A Global Certificate directly through DTC if they are participants ("**Direct Participants**") in the DTC system, or indirectly through organisations which are Direct Participants in such system ("**Indirect Participants**" and together with Direct Participants, "**Participants**").

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes (including, without limitation, the presentation of Global Certificates for exchange as described under "*Form of the Notes — Exchange for Definitive Certificates*" above) only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the relevant

Rule 144A Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described under "*Form of the Notes — Exchange for Definitive Certificates*" above, DTC will surrender the relevant Rule 144A Global Certificates in exchange for individual Definitive Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

Book Entry Ownership

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 a nominee of a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

DTC

Each Rule 144A Global Certificate will have a CUSIP number and will be deposited with a custodian (the "**DTC Custodian**") for and registered in the name of a nominee of DTC. The DTC Custodian and DTC will electronically record the principal amount of the Notes held within the DTC System.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or DTC 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 (save in the case of payments other than in U.S. Dollars outside DTC, as referred to below), subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg or DTC (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/custodian 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.

The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Certificate to such persons may be limited. Because DTC can only act on behalf of Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Rule 144A Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of a physical certificate in respect of such interest.

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.

Trading between DTC Participants

Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement ("**SDFS**") system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser

When book-entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Rule 144A Global Certificate to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in a Regulation S Global Certificate (subject to the certification procedures provided in the Agency and Account Bank Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the custodian of the Rule 144A Global Certificate will instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of DTC and evidenced by the Rule 144A Global Certificate of the relevant Class and (ii) increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser

When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the Rule 144A Global Certificate (subject to the certification procedures provided in the Agency and Account Bank Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7.45 p.m., Brussels or Luxembourg time, one Business Day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as

the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Rule 144A Global Certificate who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Certificate and (ii) increase the amount of Notes registered in the name of the nominee of DTC and evidenced by the Rule 144A Global Certificate.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or any Agent will have any responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Currency of Payments in respect of the Rule 144A Notes

Subject to the following paragraph, while interests in the Rule 144A Notes are held by a nominee for DTC, all payments in respect of such Rule 144A Notes will be made in U.S. Dollars. As determined by the Exchange Agent under the terms of the Agency and Account Bank Agreement, the amount of U.S. Dollars payable in respect of any particular payment under the Rule 144A Notes will be equal to the amount of Euros otherwise payable exchanged into U.S. Dollars at the Euro/U.S. Dollar rate of exchange prevailing as at 11:00 a.m. (London time) on the day which is two London and New York Business Days prior to the relevant payment date, less any costs incurred by the Exchange Agent for such conversion (to be shared *pro rata* among the holders of the Rule 144A Notes accepting U.S. Dollar payments in proportion to their respective holdings), all as set out in more detail in the Agency and Account Bank Agreement.

Notwithstanding the above, the holder of an interest through DTC in a Rule 144A Note may make application to DTC to have a payment or payments under such Rule 144A Notes made in Euro by notifying the DTC participant through which its book-entry interest in the Rule 144A Global Certificate is held on or prior to the record date of (a) such investor's election to receive payment in Euro, and (b) wire transfer instructions to an account entitled to receive the relevant payment. Such DTC participant must notify DTC of such election and wire transfer instructions on or prior to the twelfth London and New York Business Day prior to for any payment of interest and or principal. DTC will notify the Exchange Agent of such election and wire transfer instructions on or prior to the tenth London and New York Business Day prior to any payment of interest or principal. If complete instructions are received by the DTC participant and forwarded by the DTC participant to DTC and by DTC to the Exchange Agent on or prior to such date, such investor will receive payments in Euro, otherwise only U.S. Dollar payments will be made by the Principal Paying Agent. All costs of such payment by wire transfer will be borne by holders of book-entry interests receiving such payments by deduction from such payments.

In this paragraph "**London and New York Business Day**" means any day on which commercial banks and foreign exchange markets settle payments in London and New York City.

RATINGS OF THE SECURITIES

General

It is a condition of the issue and sale of the Notes that the Notes (except for the Subordinated Notes) be issued with at least the following ratings: the Class A-1 Notes "Aaa(sf)" from Moody's and "'AAAsf" from Fitch; the Class A-2 Notes: "Aa2(sf)" from Moody's and "AAsf" from Fitch; the Class B Notes: "A2(sf)" from Moody's and "Asf" from Fitch; the Class C Notes: "Baa2(sf)" from Moody's and "BBBsf" from Fitch; the Class D Notes: "Ba2(sf)" from Moody's and "BBsf" from Fitch; and the Class E Notes: "B2(sf)" from Moody's and "B-sf" from Fitch. The Subordinated Notes being offered hereby will not be rated.

The ratings assigned to the Class A Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the other Rated Notes address the ultimate payment of principal and interest.

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.

As of the date of this Offering Circular, each of the Rating Agencies is established in the European Union ("**EU**") and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation.

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 Collateral Obligation 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 Collateral Obligations 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 Collateral 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 Collateral Obligations and the various eligibility requirements that the Collateral Obligations are required to satisfy.

Fitch analyses the likelihood that each Collateral Obligation 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 Collateral 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 Collateral Obligations 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 Collateral Manager, the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.

THE ISSUER

General

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated with the name of Grosvenor Place CLO 2013-1 B.V. under the laws of The Netherlands on 7 October 2013 for an indefinite period having its corporate seat in Amsterdam, The Netherlands and its registered office at Herikerbergweg 238, Luna ArenA, 1101 CM, Amsterdam, Zuidoost, The Netherlands. The Issuer is registered in the commercial register of the Chamber of Commerce and Industries for Amsterdam under number 58938893. The telephone number of the registered office of the Issuer is +31(0)20 575 56 94 and the facsimile number is +31(0)20 673 00 16.

Corporate Purpose of the Issuer

The Issuer is organised as a special purpose company and was established to raise capital by the issue of the Notes. The Articles of Association (the "**Articles**") of the Issuer dated 11 October 2013 (as currently in effect) provide under Clause 2.1 that the objects of the Issuer are:

(a) to raise funds through, *inter alia*, borrowing under loan agreements, the issuance of bonds and other debt instruments, the use of financial derivatives or otherwise and to invest and apply funds obtained by the Issuer in, inter alia, (interests in) loans, bonds, debt instruments, shares, warrants and other similar securities and also in financial derivatives;

(b) to grant security for the Issuer's obligations and debts;

(c) to enter into agreements, including, but not limited to, financial derivatives such as interest and/or currency exchange agreements in connection with the objects mentioned under (a) and (b); and

(d) to enter into agreements, including, but not limited to, bank, securities and cash administration agreements, asset management agreements and agreements creating security in connection with the objects mentioned under (a), (b) and (c) above.

Business Activity

Prior to the Issue Date, the Issuer entered into the Warehouse Arrangements in order to enable the Issuer to acquire certain Collateral Obligations 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 Portfolio, the authorisation and issue of the Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Collateral Acquisition Agreements, the Notes, the Subscription Agreement, the Agency and Account Bank Agreement, the Trust Deed, the Collateral Management and Administration Agreement, the Collateral Sub-Management Agreement, the Risk Retention Letter, the Euroclear Security Agreement, the Issuer Management Agreement, the Letter of Undertaking, each Hedge Agreement and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Portfolio.

Management

The current managing directors (the "**Managing Directors**") are:

Name	Occupation	Business Address
H.P.C. Mourits	Global Managing Director of TMF Structured Finance Services B.V.	Herikerbergweg 238 Luna ArenA, 1101 CM Amsterdam Zuidoost The Netherlands

Name	Occupation	Business Address
A. Weglau	Head Transaction Manager of TMF Structured Finance Services B.V.	Herikerbergweg 238 Luna ArenA, 1101 CM Amsterdam Zuidoost The Netherlands
S.E.J. Ruigrok	Head Accounting of TMF Structured Finance Services B.V.	Herikerbergweg 238 Luna ArenA, 1101 CM Amsterdam Zuidoost The Netherlands

Pursuant to the Issuer Management Agreement, the Managing Directors will provide management, corporate and administrative services to the Issuer. The Issuer may terminate the Issuer Management Agreement by giving not less than 14 days' written notice. The Managing Directors may retire from their obligations pursuant to the Issuer Management Agreement by giving at least two months' notice in writing to the Issuer. The Managing Directors have undertaken not to resign unless suitable replacement managing directors have been contracted.

Managing Directors' Experience

Mr Huub P.C. Mourits

Mr Mourits joined the TMF Group in 2001 as (Risk) Controller of the Financial Services division. In this capacity Mr Mourits implemented risk control mechanisms and guidelines in various areas, including operational risk control tools for securitisation transactions and CDOs. In June 2007 he became Global Managing Director of TMF Structured Finance Services. Before joining TMF, Mr Mourits was employed as a Risk Controller at NIB Capital Bank (now NIBC Bank N.V.). Mr Mourits holds a Master's degree in Economics and Business Administration.

Mr Arthur Weglau

Arthur Weglau is Head Transaction Manager at TMF Structured Finance Services in The Netherlands. Before joining the TMF Group, Mr Weglau worked for PricewaterhouseCoopers as a Tax Advisor, providing tax advice and assistance to foreign multinational companies expanding their business into the Netherlands. Mr Weglau holds a Master's degree in Dutch Tax Law from Groningen University, and completed a post academic programme in Structured Finance at the Grotius Academy.

Mr Steffen E.J. Ruigrok

Steffen E.J. Ruigrok heads the accounting and reporting department of TMF Structured Finance Services in the Netherlands. Prior to joining the TMF Group in 2004, Mr Ruigrok was an Auditor with Coopers and Lybrand (now PricewaterhouseCoopers N.V.), and held a corporate finance position at an international M&A boutique in The Netherlands. He currently also serves as mentor for structured finance and financial instruments related research at the NIVRA-Nijenrode School of Accountancy and Controlling. Mr Ruigrok holds a Bachelor's degree in Business Administration from Nijenrode Business University, and Master's degrees in Economics and in Accounting, both from the Vrije University Amsterdam. Mr Ruigrok is a qualified Chartered Certified Accountant.

Capital and Shares

The capital of the Company consists of one Share which has a nominal value of one euro (EUR 1) and is held by the Foundation.

Capitalisation

The capitalisation of the Issuer as at the date of this Offering Circular, adjusted for the issue of the Notes, is as follows:

Share Capital

Issued and fully paid one ordinary registered share of €1	€1
Loan Capital	
Class A-1 Notes.....	€202,125,000
Class A-2 Notes.....	€46,375,000
Class B Notes	€21,000,000
Class C Notes	€18,375,000
Class D Notes	€22,750,000
Class E Notes.....	€11,375,000
Subordinated Notes	€39,550,000
Total Capitalisation	€361,550,001

Indebtedness

The Issuer has no indebtedness as at the date of this Offering Circular, other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein (including the funding provided pursuant to the Warehouse Arrangements, which will be repaid in full on the Issue Date).

Holding Structure

The entire issued share capital of the Issuer is directly held by Stichting Grosvenor Place CLO 2013-1, a foundation (*stichting*) established under the laws of The Netherlands having its registered office at Herikerbergweg 238, Luna ArenA, 1101 CM, Amsterdam, Zuidoost, The Netherlands (the "**Foundation**").

None of the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, the Trustee, the Liquidity Facility Provider or any company Affiliated with any of them, directly or indirectly, owns any of the share capital of the Issuer. TMF Management B.V. is the sole director of the Foundation.

Pursuant to the terms of a management agreement dated on or about the Issue Date between the Foundation and TMF Management B.V. and a Letter of Undertaking dated on or about the Issue Date between, inter alia, the Foundation and TMF Management B.V., measures will be in put in place to limit and regulate the control which the Foundation has over the Issuer.

Subsidiaries

The Issuer has no subsidiaries.

Administrative Expenses of the Issuer

The Issuer is expected to incur certain Administrative Expenses (as defined in Condition 1 (*Definitions*) of the Terms and Conditions of the Notes).

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 2014. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each year.

The auditors of the Issuer are BDO Audit & Assurance B.V., of Krijgsman 9, 1186 DM Amstelveen, The Netherlands, who are chartered accountants and are members of the *Koninklijk Nederlands Instituut van Registeraccountants* and registered auditors qualified in practice in The Netherlands.

DESCRIPTION OF THE COLLATERAL MANAGER AND THE COLLATERAL SUB-MANAGER

The information appearing in this section relating to the Collateral Manager has been prepared by the Collateral Manager, and the information in this section relating to the Collateral Sub-Manager has been prepared by the Collateral Sub-Manager. Such information 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 Manager or the Collateral Sub-Manager, as applicable, assumes any responsibility for the accuracy or completeness of such information.

The CQS Group

The Collateral Manager and the Collateral Sub-Manager are both part of the CQS group ("**CQS**"). Founded in 1999, CQS is a $12.3bn global multi-strategy asset management firm with over 250 staff located globally, 79 of whom are specialist investment professionals.

CQS launched its first fund in March 2000 and has since expanded its offering to include additional strategies and bespoke solutions in the areas of multi-strategy, convertibles, asset backed securities, credit, loans and equities.

Since inception, fundamental analysis has been placed at the heart of the firm's investment process. The investment teams follow a collaborative multi-disciplinary approach seeking adjacencies across all areas in which the firm invests.

CQS' robust operations and risk management platform provides all mandates with liquidity management and risk monitoring, enabling investment professionals to be more nimble and effective throughout all market environments.

A founding member of the Hedge Fund Standards Board, CQS is regulated by the FCA in the UK, the SFC in Hong Kong, ASIC in Australia and registered with the SEC in the US, with a presence in the Channel Islands, Cayman Islands and Luxembourg.

The Collateral Manager is a limited partnership registered in the Cayman Islands. It is an affiliate of the Collateral Sub-Manager. The Collateral Manager is an "exempt reporting adviser" for the purposes of Rule 204-4(a) of the United States Investment Advisers Act of 1940, as amended (the "**US Advisers Act**") and will be required to report certain information to the SEC on an ongoing basis and to comply with certain other requirements of the US Advisers Act.

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is responsible, subject to the overall policies of the Issuer, for all aspects of the management of the Portfolio, including discretionary management of the Portfolio (which will be delegated to the Collateral Sub-Manager pursuant to the Collateral Sub-Management Agreement).

The Collateral Sub-Manager is a limited liability company incorporated in England and Wales which is ultimately controlled by the Collateral Manager. The Collateral Sub-Manager, which is authorised and regulated by the Financial Conduct Authority of the United Kingdom, has responsibility for the discretionary management of the Portfolio under the terms of the Collateral Sub-Management Agreement.

The Collateral Sub-Manager is not required, nor does it intend, to register as an investment adviser under the US Advisers Act.

The Issuer shall have no liability for payment of any fees to the Collateral Sub-Manager.

On the Issue Date, one or more Affiliates and certain employees of such Affiliates of the Collateral Manager or the Collateral Sub-Manager or one or more funds managed by any of them may purchase a portion of the Notes. Notes held by the Collateral Manager, the Collateral Sub-Manager and/or an Affiliate will have no voting rights with respect to any vote in connection with the removal of the Collateral Manager and the Collateral Sub-Manager and will be deemed not to be outstanding in connection with any such vote; provided, however, that Notes held by the Collateral Manager, the Collateral Sub-Manager and/or an Affiliate will have voting rights with respect to all other matters as to which the Noteholders are entitled to vote, including, without limitation, any vote in connection with

the appointment of a replacement collateral manager which is not Affiliated with either the Collateral Manager or the Collateral Sub-Manager in accordance with the Collateral Management and Administration Agreement and in connection with an optional redemption.

THE RETENTION HOLDER AND RETENTION REQUIREMENTS

Description of the Retention Holder

The Collateral Sub-Manager shall act as Retention Holder for the purposes of the Retention Requirements. On the Issue Date, the Collateral Sub-Manager will not fall within any of the definitions of a "sponsor", an "originator" or an "original lender" for the purposes of the CRD Retention Requirements, however it is intended that the Collateral Sub-Manager shall hold the Retention Notes on the basis that the Collateral Sub-Manager is the party which "would most appropriately fulfil the role of the retention holder" pursuant to paragraphs 25 and 26 of the Article 122a Guidelines. Following the implementation of CRR on and following 1 January 2014, on the assumption that the RTS is implemented in the form of the Draft Technical Standards, the Collateral Sub-Manager anticipates that it would fall within the expanded definition of a "sponsor" contained therein.

The Retention

On the Issue Date, the Retention Holder, acting for its own account, will sign the Risk Retention Letter addressed to the Issuer, the Trustee and the Collateral Administrator.

The Issuer, Collateral Administrator and the Trustee (for the benefit of the Noteholders) are parties to the Risk Retention Letter solely for the purposes of obtaining the benefit of the representations, warranties and covenants contained therein and under no circumstances shall any of them be deemed to have undertaken any obligations thereunder or by virtue of their entry into the Risk Retention Letter save as provided therein.

Under the Risk Retention Letter, the Retention Holder will for so long as any Class of Rated Notes remains Outstanding:

(a) agree to retain a material net economic interest in the transaction of not less than 5 per cent. of the nominal value of each Class of Notes (the "**Retention Notes**") within the meaning of paragraph 1(a) of the CRD Retention Requirements and Article 51(a) of the AIFMD Retention Requirements;

(b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes or the underlying portfolio of Collateral Obligations, except to the extent required or permitted in accordance with the Retention Requirements;

(c) agree to take such further action, provide such information and enter into such other agreements as may reasonably be required to satisfy the Retention Requirements as of (a) the Issue Date and (b), solely as regards the provision of information in the possession of the Retention Holder and to the extent the same is not subject to a duty of confidentiality, any time prior to maturity of the Notes;

(d) agree to confirm its continued compliance with the covenants set out at paragraphs (a) and (b) above on a monthly basis to the Issuer, the Collateral Manager, the Collateral Sub-Manager, the Trustee and the Collateral Administrator in writing (which may be by way of email);

(e) agree that it shall notify each of its Affiliates of the Risk Retention Letter and its contents and in particular the requirements set-out in (b) above and shall procure that each of its Affiliates complies with the terms of the letter and in particular (b) above;

(f) represent that on and following 1 January 2014 it will be an "investment firm" (as such term is defined in point (2) of Article 4(1) of the CRR as at the Issue Date); and

(g) agree that it shall immediately notify the Issuer, the Trustee and the Collateral Administrator if for any reason it: (i) ceases to hold the Retention Notes in accordance with (a) above; (ii) fails to comply with the covenants set out in (b) or (e) in any way; or (iii) any of the representations contained in the Risk Retention Letter fail to be true on any date;

provided that (A) if CQS Cayman Limited Partnership is removed as the collateral manager, then CQS Investment Management Limited may dispose of the Retention Notes if permitted in accordance with the Retention Requirements, and (B) for so long as any such holding is permitted in accordance with

the Retention Requirements, the Retention Notes may be held by an Affiliate of the Collateral Sub-Manager.

Under the Risk Retention Letter, the Retention Holder and the Collateral Manager have agreed that if any Noteholder in the Controlling Class provides to the Collateral Manager and the Collateral Sub-Manager a statement in writing of any applicable European competent authority for the purposes of the Retention Requirements evidencing a determination by that authority that the Retention Notes cannot be validly held by the Collateral Sub-Manager in accordance with the Retention Requirements solely because of the sub-management structure employed by the Collateral Manager and the Collateral Sub-Manager, the Collateral Sub-Manager and the Collateral Manager will agree to replace, on a best endeavours basis within 45 Business Days, CQS Cayman Limited Partnership with CQS Investment Management Limited as collateral manager.

Each prospective investor in the Notes is required to independently assess and determine the sufficiency for the purposes of complying with the Retention Requirements of the information described above and in this Offering Circular generally. None of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, any Agent or any other person makes any representation or provides any assurance to the effect that the information described above or in this Offering Circular is sufficient in all circumstances for such purposes or that the Collateral Manager's compliance with the agreements and undertaking described above would render the transactions described herein compliant with the Retention Requirements. Each prospective investor in the Notes that is subject to the Retention Requirements should consult with its own legal, accounting and other advisors and/or its national regulator in determining the extent to which such information is sufficient for such purpose.

THE PORTFOLIO

Terms used and not otherwise defined herein or in this Offering Circular as specifically referenced herein shall have the meaning given to them in Condition 1 (Definitions) of the Terms and Conditions.

Introduction

Pursuant to the Collateral Management and Administration Agreement, the Issuer has appointed the Collateral Manager to manage the Portfolio and the Collateral Manager, the Collateral Sub-Manager and the Issuer have entered into the Collateral Sub-Management Agreement pursuant to which the Collateral Manager has delegated the performance of its duties and obligations as Collateral Manager to the Collateral Sub-Manager. On this basis, where reference in this section is made to the "Collateral Manager" this shall, in relation to investment management services provided to the Issuer, be read as a reference to the Collateral Sub-Manager. 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 the Collateral Manager.

Acquisition of Collateral Obligations

The Collateral Manager will determine and will use reasonable endeavours to cause to be acquired by the Issuer a portfolio of Secured Senior Obligations, Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds during the Initial Investment Period, the Reinvestment Period and thereafter (including, but not limited to, Collateral Obligations purchased pursuant to the Warehouse Arrangements). The Issuer anticipates that, by the Issue Date, it will have purchased or committed to purchase Collateral Obligations, the Aggregate Principal Balance of which is equal to at least €262,500,000 which is approximately 75 per cent. of the Target Par Amount. The net proceeds of the issuance of the Notes remaining after payment of the acquisition costs for the Collateral Obligations acquired by the Issuer on or prior to the Issue Date (including other amounts due in order to finance the acquisition of Collateral Obligations) pursuant to the Warehouse Arrangements, shall be (a) used to fund the First Period Reserve Account in an amount equal to €2,000,000 and (b) deposited into the Unused Proceeds Account to be utilised to fund the acquisition of Collateral Obligations complying with the Eligibility Criteria purchased by the Issuer during the Initial Investment Period. The Collateral Manager acting on behalf of the Issuer shall use commercially reasonable endeavours to purchase Collateral Obligations with an Aggregate Principal Balance (together with Collateral Obligations previously acquired) equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period.

The Issuer does not expect and is not required to satisfy the Collateral Quality Tests, Portfolio Profile Tests or the Coverage Tests prior to the Effective Date. The Collateral Manager may declare that the Initial Investment Period has ended and the Effective Date has occurred prior to the Payment Date in April 2014, subject to the Effective Date Determination Requirements being satisfied.

On or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account will be transferred to the Principal Account and/or the Interest Account, in each case, at the discretion of the Collateral Manager (acting on behalf of the Issuer), provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Obligations, the Aggregate Principal Balance of which equals or exceeds the Target Par Amount; and (ii) no more than one per cent. of the Collateral Principal Amount as of the Issue Date may be transferred to the Interest Account.

Within 10 Business Days following the Effective Date, the Collateral Administrator shall issue a report (the "**Effective Date Report**") containing the information required in a Monthly Report, confirming whether the Issuer has acquired or entered into a binding commitment to acquire Collateral Obligations having an Aggregate Principal Balance which equals or exceeds the Target Par Amount, copies of which shall be forwarded to the Issuer, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Hedge Counterparties and the Rating Agencies (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments in respect of a Collateral Obligation following acquisition by the Issuer shall be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its Moody's Collateral Value and its Fitch Collateral Value) and the Issuer will provide, or cause the Collateral Manager to provide to the Trustee and the Collateral Administrator, an accountant certificate confirming the Aggregate Principal Balance of all Collateral Obligations purchased or committed to be

purchased as at such date and the computations and results of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests by reference to such Collateral Obligations.

The Collateral Manager (acting on behalf of the Issuer) 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 the Effective Date Moody's Condition is satisfied then such rating confirmation shall be deemed to have been received from Moody's. If the Effective Date Moody's Condition is not satisfied within 30 Business Days following the Effective Date the Collateral Manager shall promptly notify Moody's. If (i) the Effective Date Determination Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure; (ii) the Collateral Manager (acting on behalf of the Issuer) 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; (iii) where the Effective Date Moody's Condition is not satisfied, following a request therefor from the Collateral Manager after the Effective Date, Rating Agency Confirmation from Moody's is not received, an Effective Date Rating Event shall have occurred. If an Effective Date Rating Event has occurred and is continuing on the Business Day prior to the Payment Date next following the Effective Date, the Rated Notes shall be redeemed, pursuant to Condition 7(e) (*Redemption upon Effective Date Rating Event*) on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payments, until the earlier of (x) the date on which the Effective Date Rating Event is no longer continuing and (y) the date on which the Rated Notes have been redeemed in full. The Collateral Manager shall notify the Rating Agencies upon the discontinuance of an Effective Date Rating Event.

During such time as an Effective Date Rating Event shall have occurred and be continuing, the Collateral Manager (acting on behalf of the Issuer) may prepare and present to the Rating Agencies a Rating Confirmation Plan setting forth the timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which is intended to cause confirmation or reinstatement of the Initial Ratings. The Collateral Manager (acting on behalf of the Issuer) is under no obligation whatsoever to present a Rating Confirmation Plan to the Rating Agencies.

Eligibility Criteria

Each Collateral Obligation must, at the time of entering into a binding commitment to acquire such obligation by, or on behalf of, the Issuer, satisfy the following criteria (the "**Eligibility Criteria**") as determined by the Collateral Manager in its reasonable discretion (capitalised terms in each case read and construed as if such obligation were a Collateral Obligation):

(a) it is a Secured Senior Obligation, an Unsecured Senior Loan, a Mezzanine Obligation, a Second Lien Loan or a High Yield Bond, in each case;

(b) it is either (i) denominated in Euros and is not convertible into or payable in any other currency or (ii) denominated in United States dollars, pounds sterling or any other lawful currency of a Non-Emerging Market Country and is not convertible into or payable in any other currency and the Issuer enters into a Currency Hedge Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such Non-Euro Obligation and otherwise complies with the requirements set out in respect of Non-Euro Obligations in the Collateral Management and Administration Agreement;

(c) it is not a Defaulted Obligation, a Credit Risk Obligation or Equity Security, including any obligation convertible into an Equity Security;

(d) it is not a lease (including, for the avoidance of doubt, a financial lease);

(e) it is not a Structured Finance Security or a Synthetic Security;

(f) it provides for a fixed amount of principal payable in cash 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;

(g) it is not a Zero Coupon Security, Step-Up Coupon Security or Step-Down Coupon Security;

(h) it does not constitute "margin stock" (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);

(i) 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 tax imposed by any jurisdiction (other than withholding taxes in respect of commitment fees, letter of credit fees or similar fees) 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;

(j) it is not an obligation which has a Moody's Rating of "Caa3" or lower or a Fitch Rating of "CCC" or lower;

(k) it is not a debt obligation whose repayment is subject to substantial non-credit related risk, including catastrophe bonds or instruments whose repayment is conditional on the non-occurrence of certain catastrophes or similar events;

(l) 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 may arise at its option; (ii) which are fully collateralised; (iii) which are owed to the agent bank in relation to the performance of its duties under a Collateral Obligation; (iv) which may arise as a result of an undertaking to participate in a financial restructuring of a Collateral Obligation where such undertaking is contingent upon the redemption in full of such Collateral Obligation on or before the time by which the Issuer is obliged to enter into the Restructured Obligation and where the Restructured Obligation satisfies the Eligibility Criteria and for the avoidance of doubt, the Issuer is not liable to pay any amounts in respect of a Restructured Obligation; or (v) which are Delayed Drawdown Collateral Obligations or Revolving Obligations, provided that, in respect of paragraph (iv) 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 Secured Senior Obligation, second lien loan or similar obligation;

(m) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;

(n) it is not a debt obligation that pays scheduled interest less frequently than annually (other than, for the avoidance of doubt, PIK Securities);

(o) it is not a debt obligation which pays interest only and does not require the repayment of principal;

(p) it is not subject to an exchange offer, conversion or tender by its issuer for cash, securities or any other type of consideration (other than for an obligation which would itself constitute a Collateral Obligation);

(q) the Collateral Obligation Stated Maturity thereof falls prior to the Maturity Date of the Notes;

(r) its acquisition by the Issuer will not result in the imposition of stamp duty or stamp duty reserve tax payable by the Issuer, unless such stamp duty or stamp duty reserve tax has been included in the purchase price of such Collateral Obligation;

(s) upon acquisition, both (i) the Collateral Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest or comparable security arrangement having substantially the same effect in favour of the Trustee for the benefit of the Secured Parties and (ii) (subject to (i) above) the Issuer (or the Collateral Manager on behalf of the Issuer) has notified the Trustee in the event that any Collateral Obligation that is a bond is held through the Custodian but not held through Euroclear or does not satisfy the requirements relating to Euroclear collateral specified in the Trust Deed and has taken such action as the Trustee may require to effect such security interest;

(t) is an obligation of an Obligor or Obligors Domiciled in a Non-Emerging Market Country (as determined by the Collateral Manager acting on behalf of the Issuer);

(u) is not a Dutch Ineligible Security;

(v) is not an obligation of a borrower who or which is resident in or incorporated under the laws of The Netherlands and who or which is not acting in the conduct of a business or profession;

(w) it has not been called for, and is not subject to a pending, redemption;

(x) it is capable of being sold, assigned or participated to the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions or of any legal or regulatory requirements;

(y) 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 Collateral Obligation, the change from a default rate of interest to a non default rate or an improvement in the Obligor's financial condition);

(z) it is not an obligation whose acquisition by the Issuer will cause the Issuer to be deemed to have participated in a primary loan origination in the United States;

(aa) it is not a Project Finance Loan;

(bb) 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 U.S. Internal Revenue Code;

(cc) it must require the consent of at least a majority of the lenders to the Obligor thereunder for any change in the principal repayment profile or interest applicable on such obligation (for the avoidance of doubt, excluding any changes originally envisaged in such Underlying Instrument) provided that in the case of a Collateral Obligation 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;

(dd) if it is a Revolving Obligation or Delayed Drawdown Collateral Obligation, it can only be drawn in Euros or its base currency;

(ee) it is not an obligation of a borrower with Total Facilities of less than €100,000,000 or the equivalent in another currency;

(ff) it is not a First Lien Last Out Obligation;

(gg) it is not a Deferring Security; and

(hh) it is purchased at a price equal to or greater than 65 per cent. of its par value (or, with the consent of the Controlling Class acting by Ordinary Resolution, is purchased at a price equal to or greater than 50 per cent. of its par value).

Other than (i) Issue Date Collateral Obligations which must satisfy the Eligibility Criteria on the Issue Date and (ii) Collateral Obligations which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Collateral Obligation or by way of substitution of new obligations and/or change of Obligor which in each case may be effected by way of a "cashless roll") which must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date, the subsequent failure of any Collateral Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation so long as such obligation satisfied the Eligibility Criteria, when the Issuer or the Collateral Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation.

"**First Lien Last Out Obligation**" means a Secured Senior Loan that, prior to a default with respect to such loan, is entitled to receive payments *pari passu* with other Secured Senior Loans of the same Obligor, but following a default becomes fully subordinated to other Secured Senior Loans of the same Obligor and is not entitled to any payment until such other Secured Senior Loans are paid in full.

"**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.

"**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.

"**Step-Down Coupon Security**" means a security: (i) 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 (ii) 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; *provided* that a security that would otherwise qualify as a Step-Down Coupon Security pursuant to this definition shall not constitute a Step-Down Coupon Security if it qualifies as such solely because of a change in financial performance of the Obligor.

"**Step-Up Coupon Security**" means a security: (i) 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 (ii) 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; *provided* that a security that would otherwise qualify as a Step-Up Coupon Security pursuant to this definition shall not constitute a Step-Up Coupon Security if it qualifies as such solely because of a change in financial performance of the Obligor.

"**Zero Coupon Security**" means a security (other than a Step-Up Coupon Security) that, at the time of determination, does not provide for periodic payments of interest.

Restructured Obligations

If a Collateral Obligation becomes (as determined by the Collateral Manager) the subject of a restructuring whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an amendment of its maturity date) or by way of substitution of new obligations and/or change of Obligor which, in each case, may be effected by way of a "cashless roll", 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), (i), (j), (ee) and (hh) thereof (such applicable criteria, the "**Restructured Obligation Criteria**").

Management of the Portfolio

Overview

The Collateral Manager (acting on behalf of the Issuer) is permitted, in certain circumstances and, subject to certain requirements, to sell Collateral Obligations, Collateral Enhancement Obligations and Exchanged Securities and to reinvest the Sale Proceeds (other than accrued interest on such Collateral Obligations included in Interest Proceeds by the Collateral Manager) thereof in Substitute Collateral Obligations. The Collateral Manager shall notify the Collateral Administrator of all necessary details of the Collateral Obligation, Collateral Enhancement Obligation or Exchanged Security to be sold and the proposed Substitute Collateral Obligation to be purchased and the Collateral Administrator shall determine and shall provide confirmation of whether the Portfolio Profile Tests and Reinvestment Criteria which are required to be satisfied in connection with any such sale or reinvestment are satisfied

or, if any such criteria are not satisfied, shall notify the Issuer and the Collateral Manager of the reasons and the extent to which such criteria are not so satisfied.

The Collateral Manager will determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Obligations (including all Substitute Collateral Obligations) taking into account the Eligibility Criteria and, where applicable, the Reinvestment Criteria and will monitor the performance of the Collateral Obligations on an ongoing basis to the extent practicable using sources of information reasonably available to it and provided that the Collateral Manager shall not be responsible for determining whether the terms of any individual Collateral Obligation have been observed.

The activities referred to below that the Collateral Manager may undertake on behalf of the Issuer are subject to the Issuer's monitoring of the performance of the Collateral Manager under the Collateral Management and Administration Agreement.

Sale of Issue Date Collateral Obligations

The Collateral Manager, acting on behalf of the Issuer, shall sell any Non-Eligible Issue Date Collateral Obligation. Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Obligations satisfying the Eligibility Criteria or credited to the Principal Account pending such reinvestment.

Terms and Conditions applicable to the Sale of Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations

Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Collateral Manager (acting on behalf of the Issuer), subject to, within the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default having occurred which is continuing.

Terms and Conditions applicable to the Sale of Exchanged Securities

Any Exchanged Security may be sold at any time by the Collateral Manager in its discretion (acting on behalf of the Issuer), subject to, within the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Securities as provided above, the Collateral Manager shall be required by the Issuer to use commercially reasonable endeavours 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), unless such sale is prohibited by applicable law, in which case such Exchanged Security shall be sold as soon as such sale is permitted by applicable law.

Discretionary Sales

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may dispose of any Collateral Obligation (other than a Credit Improved Obligation, a Credit Risk Obligation, a Defaulted Obligation or an Exchanged Security, each of which may only be sold in the circumstances provided above) at any time (other than during a Restricted Trading Period) provided:

(a) no Event of Default having occurred which is continuing (in the case of the Collateral Manager, to its knowledge, without the need for inquiry or investigation);

(b) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Obligations 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 per cent. of the Collateral Principal Amount 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 Collateral 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 Collateral Obligations within 60 calendar 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 Collateral Obligation; or (2) after giving effect to such sale, the Collateral Principal Amount will be greater than (or equal to) the Reinvestment Target Par Balance (as defined below).

"**Investment Criteria Adjusted Balance**" means with respect to a Collateral Obligation, the Principal Balance of such Collateral Obligation, provided that the Investment Criteria Adjusted Balance of:

(a) a Deferring Security shall be the lesser of:

(i) its Moody's Collateral Value; and

(ii) its Fitch 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, and

(c) a Collateral Obligation which has been included in the calculation of the CCC/Caa Excess, its Market Value multiplied by its Principal Balance,

provided that if a Collateral Obligation satisfies two or more of (a) through (c) above, the Investment Criteria Adjusted Balance of such Collateral Obligation shall be calculated using the category which results in the lowest value.

Restricted Trading Period

The Issuer or the Collateral Manager (acting on its behalf) shall promptly notify Fitch and Moody's upon the occurrence 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 Collateral (which notice has not been rescinded or annulled), the Collateral Manager (acting on behalf of the Issuer) will (if requested by the Trustee following the enforcement of such security), as far as reasonably practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date, subject to and in accordance with any limitations or restrictions set out in the Conditions and the Trust Deed but without regard to the limitations set out in the Collateral Management and Administration Agreement.

Sale of Assets which do not Constitute Collateral Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Collateral Management and Administration Agreement, the Collateral Manager shall use commercially reasonable endeavours to sell such asset. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Right to Cure

The Collateral Manager shall have the right to cure any breach of any of the Portfolio Profile Tests or Collateral Quality Tests which occurs upon the acquisition of an additional Collateral Obligation or Substitute Collateral Obligation by selling any Collateral Obligation that the Collateral Manager, in its sole discretion, deems appropriate; provided that any such sale shall be in compliance with the requirements set out herein regarding disposal of Collateral Obligations.

Reinvestment of Collateral Obligations

"**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 (except satisfaction of the Eligibility Criteria) shall not apply prior to the Effective Date or in the case of a Collateral Obligation which has been restructured where such restructuring has become binding on the holders thereof.

During the Reinvestment Period

During the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) may, at its discretion, reinvest any Principal Proceeds (with the exception of Principal Proceeds received both before and after the Reinvestment Period in connection with the acceptance of an Offer where such Offer is by way of novation or substitution, where such principal proceeds will be reinvested automatically as consideration for the novated or substitute Collateral Obligation (subject to the Restructured Obligation Criteria being satisfied)) in the purchase of Substitute Collateral Obligations satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Collateral Obligation and taking into account existing commitments, the criteria set out below must be satisfied:

(a) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default has occurred that is continuing at the time of such purchase;

(b) on and after the Effective Date (or in the case of the Interest Coverage Tests, the Payment Date occurring on 20 January 2015) 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, but such proceeds may be reinvested if the Coverage Tests will be satisfied immediately following such reinvestment) as calculated immediately prior to any purchase of a Substitute Collateral Obligation any Coverage Test was not satisfied, the Interest Coverage Ratio or the Par Value Ratio relating to such test will be maintained or improved after giving effect to such reinvestment;

(c) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds of a Credit Risk Obligation or a Defaulted Obligation either:

  (i) the Investment Criteria Adjusted Balance of all Substitute Collateral Obligations purchased with such Sale Proceeds shall at least equal such Sale Proceeds;

  (ii) the Aggregate Principal Balance of the Collateral Obligations will be maintained or increased when compared to the Aggregate Principal Balance of the Collateral Obligations immediately prior to such sale; or

  (iii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding each Collateral Obligation being sold but including, without duplication, each Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligation) and (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 equal to or greater than the Reinvestment Target Par Balance;

(d) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds of a Credit Improved Obligation either:

  (i) the Aggregate Principal Balance of all Collateral Obligations 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) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding each Collateral Obligation being sold but including, without duplication, each Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligation) and (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) as calculated immediately prior to any purchase of a Substitute Collateral Obligation, if any of the Portfolio Profile Tests or Collateral Quality Tests are not satisfied such tests will be maintained or improved after giving effect to such reinvestment; and

(f) with respect to the reinvestment of Sale Proceeds (other than Sale Proceeds from Credit Improved Obligations, Credit Risk Obligations, Defaulted Obligations and Exchanged Securities) either:

(i) the Aggregate Principal Balance of all Collateral Obligations 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) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding each Collateral Obligation being sold but including, without duplication, each Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligations) and (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,

provided that, for the avoidance of doubt, with respect to any Collateral Obligations for which the trade date has occurred during the Reinvestment Period but which settle after such date, the purchase of such Collateral Obligations shall be treated as a purchase made during the Reinvestment Period for purposes of the Trust Deed.

"**Reinvestment Target Par Balance**" means, as of any date of determination, the Target Par Amount minus: (i) the amount of any reduction in the Principal Amount Outstanding of the Notes and plus (ii) 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.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, Sale Proceeds from the sale of Credit Risk Obligations and Unscheduled Principal Proceeds (with the exception of principal proceeds received both before and after the Reinvestment Period in connection with the acceptance of an Offer where such Offer is by way of novation or substitution, where such principal proceeds will be reinvested automatically as consideration for the novated or substitute Collateral Obligation (subject to the Restructured Obligation Criteria being satisfied)), only, may be reinvested by the Collateral Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Obligations satisfying the Eligibility Criteria, in each case provided that:

(a) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default has occurred that is continuing at the time of such purchase;

(b) the Aggregate Principal Balance of Substitute Collateral Obligations equals or exceeds (i) the Aggregate Principal Balance of the related Collateral Obligations that produced such Unscheduled Principal Proceeds or (ii) the amount of Sale Proceeds of such Credit Risk Obligation, as the case may be;

(c) the Collateral Obligation Stated Maturity of each Substitute Collateral Obligation is the same as or earlier than the Collateral Obligation Stated Maturity of the Collateral Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds;

(d) the Weighted Average Life Test was satisfied on the last Business Day of the Reinvestment Period;

(e) each of the Weighted Average Life Test, the Moody's Maximum Weighted Average Rating Factor Test and the Fitch Maximum Weighted Average Rating Factor Test are satisfied immediately after giving effect to such reinvestment;

(f) each of the Coverage Tests are satisfied both before and after giving effect to such reinvestment;

(g) either: (I) each of the Portfolio Profile Tests and the Collateral Quality Tests (except the Weighted Average Life Test, the Moody's Maximum Weighted Average Rating Factor Test and the Fitch Maximum Weighted Average Rating Factor Test) are satisfied after giving effect to such reinvestment; or (II) if any such test was not satisfied immediately prior to such investment, such test will be maintained or improved after giving effect to such reinvestment;

(h) a Restricted Trading Period is not currently in effect;

(i) after giving effect to the reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount consist of obligations which are CCC Obligations; and

(j) after giving effect to the reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount consist of obligations which are Caa Obligations.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Risk Obligations that have not been reinvested as provided above prior to the end of the Due Period after such proceeds were received (or, if the Frequency Switch Period has commenced, the Due Period in which such proceeds were received) shall be paid into the Principal Account and disbursed in accordance with the Principal Priority of Payments on the second following Payment Date (or, if the Frequency Switch Period has commenced, the following Payment Date) (subject as provided at the end of this paragraph), save that the Collateral Manager (acting on behalf of the Issuer) may in its discretion procure that Unscheduled Principal Proceeds and Sale Proceeds from the sale of any Credit Risk Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Priority of Payments for so long as they remain so designated for reinvestment but for no longer than the later of (a) 30 days following their receipt by the Issuer and (ii) the end of the second following Due Period (or, if the Frequency Switch Period has commenced, the following Due Period); provided that, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the second Payment Date (or, if the Frequency Switch Period has commenced, the Payment Date) following receipt of such Sale Proceeds or Unscheduled Principal Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the Priorities of Payments.

Unsaleable Assets.

Notwithstanding the other requirements set forth herein, in the Collateral Management and Administration Agreement and in the Trust Deed, in connection with the redemption of the Notes in full, the Collateral Manager, in its sole discretion, may conduct an auction on behalf of the Issuer of Unsaleable Assets in accordance with the procedures described in this paragraph. Promptly after receipt of written notice from the Collateral Manager of such auction, the Principal Paying Agent will provide notice (in such form as is prepared by the Collateral Manager) to the Noteholders of an auction, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures: (i) any Noteholder may submit a written bid within 10 Business Days after the date of such notice to purchase one or more Unsaleable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice); (ii) 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; (iii) if no Noteholder submits such a bid within the time period specified under clause (i) above, unless the Collateral Manager determines that delivery in kind is not legally or commercially practicable and provides written notice thereof to the Principal Paying Agent, the Principal Paying Agent will provide notice thereof to each Noteholder and the Collateral Manager shall offer to deliver (at such Noteholder's expense) a *pro rata* portion (as determined by the Collateral Manager) of each unsold Unsaleable Asset to the Noteholders or

beneficial owners of the most senior Class that provide delivery instructions to the Issuer or the Collateral Manager on behalf of the Issuer on or before the date specified in such notice, subject to minimum denominations; provided that, to the extent that minimum denominations do not permit a *pro rata* distribution, the Issuer or the Collateral Manager on behalf of the Issuer will distribute the Unsaleable Assets on a *pro rata* basis to the extent possible and the Collateral Manager will select by lottery the Noteholder or beneficial owner to whom the remaining amount will be delivered and deliver written notice thereof to the Issuer; provided, further, that the Issuer or the Collateral Manager on behalf of the Issuer will use commercially reasonable efforts to effect delivery of such interests; and (iv) if no such Noteholder or beneficial owner provides delivery instructions to the Issuer or the Collateral Manager, the Issuer shall offer to deliver (at the cost of the Collateral Manager) the Unsaleable Asset to the Collateral Manager. If the Collateral Manager declines such offer, the Issuer or the Collateral Manager on behalf of the Issuer will dispose of the Unsaleable Asset, which may be by donation to a charity, abandonment or other means. For the avoidance of doubt, any sale or delivery of an Unsaleable Asset to any Noteholder will not result in a decrease in the Principal Amount Outstanding of the Notes.

Maturity Amendments

The Issuer (or the Collateral 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 Collateral Obligation Stated Maturity of the Collateral Obligation 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 Collateral Manager has not voted in favour of a Maturity Amendment which would contravene the requirements of this paragraph but by way of scheme of arrangement or otherwise, the Collateral Obligation Stated Maturity has been extended, the Issuer or the Collateral Manager acting on its behalf may but shall not be required to sell such Collateral Obligation provided that in any event the Collateral Manager shall dispose of such Collateral Obligation 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 Collateral Obligation, any waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of such Collateral Obligation (whether by way of amendment and restatement of the existing facility or novation or substitution on substantially the same terms save for the maturity amendment). For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of the credit facility of which a Collateral Obligation is part, but would not extend the Collateral Obligation Stated Maturity of the Collateral Obligation 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 Collateral Manager will deliver to the Trustee and the Collateral Administrator a schedule of Collateral Obligations 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 Collateral Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Obligations.

Reinvestment Overcollateralisation 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 (V) (inclusive) of the Interest Priority of Payments, the Reinvestment Overcollateralisation Test has not been satisfied, then on the related Payment Date, Interest Proceeds shall be paid to the Principal Account to be applied for the purpose of the acquisition of additional Collateral Obligations in the Required Diversion Amount equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied.

Designation for Reinvestment

After the expiry of the Reinvestment Period, the Collateral Manager shall, one Business Day prior to each Determination Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Collateral Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of Collateral Management and Administration Agreement as described above) shall remain designated for reinvestment in accordance with the Reinvestment Criteria, 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.

Accrued Interest

The Collateral Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Collateral Obligation which represents accrued interest be designated as Interest Proceeds and paid into the Interest Account 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 (which may be designated as Interest Proceeds and paid into the Interest Account); 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.

Amounts included in the purchase price of any Collateral Obligation comprising accrued interest thereon may be paid from the Interest Account, the Principal Account or the Unused Proceeds Account at the discretion of the Collateral Manager (acting on behalf of the Issuer) but subject to the terms of the Collateral Management and Administration 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 Collateral Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (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 Collateral Obligations on any day in the event that such Collateral Obligations 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 Collateral Manager in its sole discretion, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Collateral 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 Collateral Obligations having an Aggregate Principal Balance that exceeds 5 per cent. of the Collateral Principal Amount as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Determination Date; and (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 Collateral Obligation or Collateral Obligations purchased at separate times for purposes of determining whether any particular Collateral Obligation is a Discount Obligation.

Eligible Investments

The Issuer or the Collateral 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 Counterparty Downgrade Collateral Accounts, Unfunded Revolver Reserve Account, the Prefunded Commitment Account and the Payment Account). The Liquidity Facility Provider may direct the

Collateral Manager, in writing, to purchase Eligible Investments out of the Balance standing to the credit of the Prefunded Commitment Account and the Collateral Manager shall comply with any such direction provided such investment satisfies the definition of "Eligible Investment". For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Collateral Manager (acting on behalf of the Issuer) at any time.

Collateral Enhancement Obligations

The Collateral Manager (acting on behalf of the Issuer) may, from time to time, purchase Collateral Enhancement Obligations independently or as part of a unit with the Collateral Obligations being so purchased.

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 Supplemental Reserve Account at the relevant time. Pursuant to Condition 3(j)(vi) (*Supplemental Reserve Account*), such Balance shall be comprised of all sums deposited therein from time to time which will comprise (a) amounts which the Collateral Manager acting on behalf of the Issuer determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payments and (b) Collateral Enhancement Obligation Proceeds.

Collateral Enhancement Obligations may be sold at any time and all Collateral Enhancement Obligation Proceeds received by the Issuer shall be deposited into the Supplemental Reserve Account.

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, Portfolio Profile Tests or Collateral Quality Tests.

Exercise of Warrants and Options

The Collateral Manager acting on behalf of the Issuer may at any time exercise a warrant or option attached to a Collateral Obligation 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.

Margin Stock

The Collateral Management and Administration Agreement requires that the Collateral Manager, on behalf of the Issuer, shall use reasonable endeavours to sell any Collateral Obligation, Exchanged Security or Collateral Enhancement Obligation 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.

Revolving Obligations and Delayed Drawdown Collateral Obligations

The Collateral Manager acting on behalf of the Issuer may acquire Collateral Obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations from time to time.

Each Revolving Obligation and Delayed Drawdown Collateral Obligation 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 Collateral Obligations 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 Collateral Obligations, the Issuer shall deposit into the Unfunded Revolver Reserve Account amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations. To the extent required, the Issuer, or the Collateral Manager acting on its behalf, may direct that amounts standing to the credit of the Unfunded Revolver 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 Collateral Obligation, as applicable and upon receipt of an Issuer Order (as defined in the Collateral Management and Administration Agreement) the Trustee shall be deemed to have released such amounts from the security granted thereover pursuant to the Trust Deed.

The Issuer shall be required to enter into a Currency Hedge Transaction in respect of each Revolving Obligation and Delayed Drawdown Collateral Obligation which is a Non-Euro Obligation. Each such Currency Hedge Transaction shall be subject to the receipt of Rating Agency Confirmation and shall be entered into in respect of the full Principal Balance of such Revolving Obligation and Delayed Drawdown Collateral Obligation (including any Unfunded Amount thereof) and the interim payments payable thereunder shall, pursuant to the terms of such Currency Hedge Transaction, be subject to amendment on an on-going basis to reflect changes in the amount of coupon and/or commitment fees receivable by the Issuer in respect of such Revolving Obligation or Delayed Drawdown Collateral Obligation from time to time as amounts are drawn down thereunder. The specific hedging arrangements relating to any purchase of any Revolving Obligation or Delayed Drawdown Collateral Obligation which, pursuant to its terms, requires the Issuer to make one or more future advances or other extensions of credit in more than one currency shall be subject to the receipt of Rating Agency Confirmation.

Non-Euro Obligations

The Collateral 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 Collateral Obligation that satisfies the Eligibility Criteria if, on or about the date of settlement thereof, the Collateral Manager procures entry by the Issuer into a Currency Hedge 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 flows for Euro payments to be made by a Currency Hedge Counterparty. Rating Agency Confirmation shall be required in relation to entry into (a) each Currency Hedge Transaction unless such Currency Hedge Transaction is a Form Approved Hedge and (b) each Currency Hedge Transaction in respect of each Revolving Obligation and Delayed Drawdown Collateral Obligation which is a Non-Euro Obligation. See "Hedging Arrangements—Hedge Agreements" and "Hedging Arrangements—Standard Terms of Currency Hedge Transactions".

Participations

The Collateral Manager acting on behalf of the Issuer may from time to time acquire Collateral Obligations from Selling Institutions by way of Participation provided that at the time such Participation is taken:

(a) the percentage of the Collateral Principal Amount that represents Participations 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 Collateral Principal Amount that represents Participations 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,

and for the purpose of determining the foregoing, account shall be taken of each sub participation from which the Issuer, directly or indirectly derives its interest in the relevant Collateral Obligation.

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); or

(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 that set out in the Trust Deed.

Assignments

The Collateral Manager acting on behalf of the Issuer may from time to time acquire Collateral Obligations from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired the Collateral 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 Collateral Obligation (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

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

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 the Aggregate Principal Balance of 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 Fitch or Moody's 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.

Bivariate Risk Table

Long-Term / Short Term Senior Unsecured Debt Rating of Selling Institution Moody's	**Individual Third Party Credit Exposure Limit***	**Aggregate Third Party Credit Exposure Limit***
Aaa	20%	20%
Aa1	10%	20%
Aa2	10%	20%
Aa3	10%	15%
A1	5%	10%
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		
AAA	20%	20%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
A+	5%	5%
A	5%	5%
A- or below	0%	0%

*As a percentage of the Collateral Principal Amount (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.

Portfolio Profile Tests and Collateral Quality Tests

Measurement of Tests

The Portfolio Profile Tests and the Collateral Quality Tests will be used as criteria for purchasing Collateral Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

Substitute Collateral Obligations in respect of which a binding commitment has been made to purchase such Substitute Collateral Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests. Collateral Obligations in respect of which a binding commitment has been made to sell such Collateral Obligations, but such sale has not been settled, shall be deemed to have been sold for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests. See "*Reinvestment of Collateral Obligations*" above.

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests at any time shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

(a) not less than 90.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Obligations (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Obligations 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);

(b) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds;

(c) not more than 2.5 per cent. of the Collateral Principal Amount shall be the obligation of any single Obligor, provided that in the case of Collateral Obligations which are not Secured Senior Obligations, not more than 1.5 per cent. of the Collateral Principal Amount shall be the obligation of any single Obligor;

(d) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Non-Euro Obligations;

(e) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Participations;

(f) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Current Pay Obligations;

(g) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations;

(h) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations;

(i) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations;

(j) not more than 3.0 per cent. of the Collateral Principal Amount shall consist of Bridge Loans;

(k) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Corporate Rescue Loans, provided that no more than 2.0 per cent. shall consist of Corporate Rescue Loans of a single Obligor;

(l) not more than 2.5 per cent. of the Collateral Principal Amount shall consist of prefunded Letters of Credit;

(m) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are PIK Securities;

(n) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Fixed Rate Collateral Obligations;

(o) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which pay scheduled interest less frequently than semi-annually but no less frequently than annually (other than, for the avoidance of doubt, PIK Securities);

(p) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries or jurisdictions rated below "A-" by Fitch;

(q) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries or jurisdictions the local currency country bond ceiling rating of which by Moody's is greater than or equal to "Baa3" and less than or equal to "A1";

(r) not more than 20.0 per cent. of the Collateral Principal Amount shall consist of Cov-Lite Loans;

(s) the limits set forth in the Bivariate Risk Table determined by reference to the ratings of Selling Institutions shall be satisfied;

(t) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations of borrowers with Total Facilities greater than or equal to €100,000,000 or the equivalent but less than €150,000,000 or the equivalent;

(u) not more than 30 per cent. of the Collateral Principal Amount shall consist of Obligors which are classified in the two Fitch Industry Categories containing the most Collateral Obligations by Aggregate Principal Balance; and

(v) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations whose Moody's Rating is derived from an S&P rating.

The percentage requirements applicable to different types of Collateral Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Principal Balance of such type of Collateral Obligations, excluding Defaulted Obligations.

"**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 & Defence
Automobiles
Banking & Finance
Broadcasting & Media
Building & Materials
Business Services
Cable
Chemicals
Computer & Electronics
Consumer Products
Energy
Environmental Services
Farming & Agricultural Services
Food & Beverage & Tobacco
Food & Drug Retail
Gaming & Leisure & Entertainment
Healthcare
Industrial/Manufacturing
Lodging & Restaurants
Metals & Mining
Packaging & Containers
Paper & Forest Products
Pharmaceuticals
Real Estate
Retail (General)
Supermarkets & Drugstores
Telecommunications
Textiles & Furniture
Transportation & Distribution
Utilities

Collateral Quality Tests

The Collateral Quality Tests will consist of each of 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; and

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

(i) the Minimum Weighted Average Spread Test;

(ii) the Minimum Weighted Average Coupon Test; and

(iii) the Weighted Average Life Test,

each as defined in the Collateral Management and Administration Agreement.

The Principal Balance of Defaulted Obligations shall be excluded for the purposes of calculating the Collateral Quality Tests.

Moody's Test Matrix

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Collateral Management and Administration Agreement (the "**Moody's Test Matrix**") shall be applicable for 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.

On the Effective Date, the Collateral Manager will be required to elect which case shall apply initially. Thereafter, on two Business Days' notice to the Issuer, the Trustee, the Collateral Administrator and Moody's, the Collateral Manager may elect to have a different case apply, provided that the Moody's Minimum Diversity Test, the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test applicable to the case to which the Collateral Manager desires to change are satisfied (and, in relation to the Minimum Weighted Average Spread Test, taking into account the case that the Collateral Manager has elected to apply under the Fitch Matrix) or, in the case of any tests that are not satisfied, are closer to being satisfied. In no event will the Collateral Manager be obliged to elect to have a different case apply.

Moody's Test Matrix

	Minimum Diversity Score																
Minimum Weighted Average Spread Test	**24**	**26**	**28**	**30**	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**	**40**	**42**	**44**	**46**
3.05%	2145	2195	2235	2275	2285	2310	2320	2330	2335	2340	2345	2355	2365	2380	2395	2415	2430
3.15%	2180	2235	2275	2315	2335	2350	2370	2385	2400	2415	2430	2440	2450	2470	2490	2510	2535
3.25%	2235	2280	2325	2360	2380	2395	2415	2435	2445	2460	2480	2490	2505	2520	2545	2560	2585
3.35%	2270	2320	2360	2405	2420	2440	2455	2475	2490	2510	2525	2540	2550	2565	2590	2610	2630
3.45%	2315	2365	2410	2450	2475	2485	2500	2520	2530	2550	2565	2580	2590	2605	2630	2650	2670
3.55%	2355	2400	2450	2490	2510	2530	2545	2560	2570	2590	2600	2620	2630	2645	2670	2690	2715
3.65%	2390	2450	2490	2530	2545	2565	2580	2600	2615	2625	2650	2660	2670	2685	2705	2730	2755
3.75%	2430	2485	2530	2565	2590	2600	2625	2635	2655	2665	2685	2695	2705	2720	2750	2770	2790
3.85%	2475	2520	2565	2600	2625	2645	2660	2680	2695	2705	2720	2735	2750	2765	2790	2815	2830
3.95%	2510	2555	2600	2650	2660	2685	2695	2720	2730	2750	2760	2775	2790	2800	2825	2850	2870
4.05%	2545	2595	2645	2685	2700	2720	2735	2755	2770	2790	2800	2815	2830	2840	2870	2895	2910
4.15%	2580	2635	2685	2720	2740	2760	2775	2795	2815	2825	2840	2860	2870	2885	2905	2930	2955
4.25%	2620	2670	2720	2760	2775	2800	2820	2835	2850	2865	2885	2895	2905	2925	2945	2970	2995
4.35%	2660	2705	2755	2800	2820	2835	2855	2870	2890	2905	2920	2935	2955	2965	2990	3010	3035
4.45%	2695	2740	2790	2835	2860	2875	2895	2910	2930	2940	2960	2975	2990	3000	3030	3055	3070
4.55%	2730	2775	2830	2875	2895	2920	2930	2955	2965	2980	3000	3010	3025	3040	3065	3095	3110
4.65%	2765	2825	2870	2920	2930	2955	2975	2990	3005	3025	3035	3055	3065	3080	3105	3130	3150
4.75%	2800	2860	2905	2955	2975	2990	3010	3025	3045	3060	3070	3095	3105	3115	3140	3170	3190

Minimum Weighted Average Spread Test	24	26	28	30	31	32	33	34	35	36	37	38	39	40	42	44	46
4.85%	2835	2895	2940	2990	3010	3025	3045	3065	3080	3095	3115	3130	3140	3150	3180	3205	3230
4.95%	2875	2930	2975	3025	3045	3065	3080	3105	3115	3135	3150	3165	3175	3195	3215	3240	3265
5.05%	2910	2965	3010	3060	3080	3100	3115	3135	3150	3165	3190	3200	3210	3230	3250	3275	3300
5.15%	2940	3000	3045	3095	3110	3130	3150	3165	3190	3200	3215	3235	3245	3260	3285	3310	3330
5.25%	2975	3025	3080	3130	3140	3165	3190	3200	3215	3235	3245	3265	3280	3295	3315	3340	3365
5.35%	3000	3060	3115	3150	3175	3195	3210	3235	3245	3270	3280	3295	3310	3320	3350	3375	3400
5.45%	3035	3095	3140	3190	3210	3225	3245	3265	3280	3295	3310	3330	3340	3350	3380	3405	3420
5.55%	3060	3130	3175	3210	3235	3260	3270	3295	3310	3330	3340	3355	3370	3385	3410	3435	3455
5.65%	3095	3150	3200	3245	3270	3285	3305	3320	3340	3350	3370	3385	3400	3410	3440	3465	3485
5.75%	3130	3175	3225	3275	3295	3315	3335	3350	3370	3385	3400	3410	3430	3445	3470	3490	3515
5.85%	3150	3210	3260	3305	3320	3340	3365	3375	3400	3410	3430	3445	3455	3470	3500	3525	3550

denotes the base case

Moody's Weighted Average Recovery Adjustment (with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test)	75
Moody's Weighted Average Recovery Adjustment (with respect to adjustment of the Minimum Weighted Average Spread)	0.15%
Moody's Weighted Average Rating Factor Adjustment	7500

Fitch Test Matrix

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Collateral Management and Administration Agreement (the "**Fitch Test Matrix**") 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 in the Fitch Test Matrix selected by the Collateral Manager;

(b) the applicable row for performing the Minimum Weighted Average Spread Test will be the row in the Fitch Test Matrix selected by the Collateral Manager; and

(c) the applicable value for performing the Fitch Minimum Weighted Average Recovery Rate Test will be the column and row in the Fitch Test Matrix selected by the Collateral Manager in relation to (a) and (b) above.

On the Effective Date, the Collateral Manager will be required to elect which case shall apply initially. Thereafter, on ten Business Days' notice to the Issuer, the Collateral Administrator and Fitch, the Collateral 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 and the Minimum Weighted Average Spread Test applicable to the case to which the Collateral Manager desires to change are satisfied or, in the case of any tests that are not satisfied, are closer to being satisfied. The Fitch Test Matrix may be amended and/or supplemented and/or replaced by the Collateral Manager subject to Rating Agency Confirmation from Fitch.

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 Collateral 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 Collateral Obligations 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 Collateral Obligations by summing the Principal Balances of all Collateral Obligations (excluding Defaulted Obligations) issued by such Obligor, provided that if a Collateral Obligation 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 Collateral Obligations or distributed to the Noteholders or the other creditors of the Issuer in accordance with the Priorities of Payments, the Obligor Principal Balance shall be calculated as if such Collateral Obligation 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
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

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
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 Collateral 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 3,600.

The "**Moody's Weighted Average Rating Factor**" is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation, excluding Defaulted Obligations, by its Moody's Rating Factor, dividing such sum by the Aggregate Principal Balances of all such Collateral Obligations, excluding Defaulted Obligations, and rounding the result up to the nearest whole number.

The "**Moody's Rating Factor**" relating to any Collateral Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Obligation.

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) 45; and

(ii) (A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test, 75 and (B) with respect to adjustment of the Minimum Weighted Average Spread, 0.15 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 the 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 Collateral 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 Collateral 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, the last paragraph of the definition of each of "Moody's Default Probability Rating", "Moody's Rating" and "Moody's Derived Rating" shall be disregarded, and instead 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) 45 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 30 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 Collateral Obligation (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 Collateral Obligation, the Moody's Recovery Rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Moody's. Extracts of the Moody's Recovery Rate applicable under the Collateral Management and Administration Agreement are set out in Annex A 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 Collateral 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) 7,500.

The Fitch Maximum Weighted Average Rating Factor Test

"**Fitch Maximum Weighted Average Rating Factor Test**" means that 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 Test Matrix.

"**Fitch Weighted Average Rating Factor**" is the number determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Obligations and rounding the result to the nearest two decimal places.

"**Fitch Rating Factor**" means, in respect of any Collateral Obligation, the number set forth in the table below opposite the Fitch Rating in respect of such Collateral Obligation. 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

"**Fitch Minimum Weighted Average Recovery Rate Test**" means the test that will be satisfied in respect of the Notes 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 Test Matrix.

"**Fitch Weighted Average Recovery Rate**" means, as of any Measurement Date, the rate (expressed as a percentage) determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Collateral Obligations and rounding to the nearest 0.1 per cent.

"**Fitch Recovery Rate**" means, with respect to a Collateral Obligation, the recovery rate determined in accordance with paragraphs (i) to (iii) below or (in any case) such other recovery rate as Fitch may notify the Collateral Manager from time to time:

(i) if such Collateral Obligation 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 Collateral 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 (%)
RR1	95
RR2	80
RR3	60
RR4	40
RR5	20
RR6	5

(ii) if such Collateral Obligation 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 Collateral Manager and has a public S&P recovery rating, the recovery rate corresponding to such recovery rating in the table below:

S&P recovery rating	Fitch recovery rate (%)
1+	95
1	95
2	80
3	60
4	40
5	20
6	5

and

(iii) if such Collateral Obligation 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 Collateral Manager and has no public S&P recovery rating, (x) if such Collateral

Obligation is a Secured Senior Note, the recovery rate applicable to such Secured Senior Note 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 Collateral Obligation shall be categorised as "Strong Recovery" if it is a Secured Senior Obligation, "Moderate Recovery" if it is an Unsecured Senior Obligation and otherwise "Weak Recovery", and shall fall into the country group corresponding to the country in which the Obligor thereof is Domiciled:

	Group A	**Group B**	**Group C**	**Group D**
Strong Recovery	75 (80 for the United States)	55	45	35
Moderate Recovery	45	40	30	25
Weak Recovery	20	5	5	5

The country group of a Collateral Obligation shall be determined, by reference to the country where it is Domiciled, in accordance with the below:

Group A: Australia, Austria, Bahamas, Bermuda, Canada, Cayman Islands, Denmark, Finland, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Japan, Jersey, Liechtenstein, Netherlands, New Zealand, Norway, Singapore, South Korea, Sweden, Switzerland, Taiwan, the UK, the US.

Group B: Belgium, France, Italy, Luxembourg, Portugal, Spain.

Group C: Bulgaria, Costa Rica, Chile, Croatia, Czech Republic, Estonia, Hungary, Israel, Latvia, Lithuania, Malaysia, Malta, Mauritius, Mexico, Poland, Slovakia, Slovenia, South Africa, Thailand, Tunisia, Uruguay.

Group D: Albania, Argentina, Asia Others, Barbados, Bosnia and Herzegovina, Brazil, China, Colombia, Cyprus, Dominican Republic, Eastern Europe Others, Ecuador, Egypt, El Salvador, Greece, Guatemala, India, Indonesia, Iran, Jamaica, Kazakhstan, Liberia, Macedonia, Marshall Islands, Middle East and North Africa Others, Moldova, Morocco, Other Central America, Other South America, Other Sub-Saharan Africa, Pakistan, Panama, Peru, Philippines, Puerto Rico, Qatar, Romania, Russia, Saudi Arabia, Serbia and Montenegro, Turkey, Ukraine, 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 *plus* the Excess Weighted Average Coupon 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, will equal the greater of (a) the percentage set forth in the Fitch Matrix based upon the Fitch Matrix Spread chosen by the Collateral Manager and (b) the percentage set forth in the Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)) as currently applicable to the Portfolio reduced by the Moody's Weighted Average Recovery Adjustment, provided such reduction may not reduce the Minimum Weighted Average Spread below 3.05 per cent.

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 Collateral Obligations as of such Measurement Date (excluding Defaulted Obligations and for any Deferring

Security, any interest that has been deferred and capitalised thereon) 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.

For purposes of calculating the Weighted Average Floating Spread, the spread of any Collateral Obligation shall be excluded from such calculation to the extent that the Issuer or the Collateral Manager has actual knowledge that payment of interest on such Collateral Obligation 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 Collateral Obligation (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 Collateral Obligation and Revolving Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Obligation above EURIBOR or such other applicable floating rate of interest *multiplied by* (ii) the outstanding principal balance of such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral 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 Collateral Obligation that has a EURIBOR floor, (i) the stated interest rate spread *plus*, (ii) if positive, (x) the EURIBOR floor value *minus* (y) EURIBOR as in effect for the current Accrual Period;

(b) in the case of each Floating Rate Collateral Obligation (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 Collateral 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 outstanding principal balance of each such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation);

(c) in the case of each Floating Rate Collateral Obligation 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 Collateral Obligation and Revolving Obligation) and subject to a Currency Hedge Transaction, (i) the stated interest rate spread over EURIBOR payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction *multiplied by* (ii) the outstanding principal balance of such Non-Euro Obligation, converted into Euro at the applicable Currency Hedge Transaction Exchange Rate; and

(d) in the case of each Floating Rate Collateral Obligation 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 Collateral Obligation and Revolving Obligation) and which is not subject to a Currency Hedge Transaction, (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 outstanding 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 Collateral 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 Collateral Obligation and Revolving Obligation as of such date; provided that in the case of a Delayed Drawdown Collateral Obligation or a Revolving Obligation which is (a) a Non-Euro Obligation subject to a Currency Hedge Transaction, amounts specified in clause (ii) shall be converted into Euro at the Currency Hedge Transaction Exchange Rate and (b) a Non-Euro Obligation which is not subject to a Currency Hedge Transaction, amounts specified in clause (ii) shall be converted into Euro at the Spot Rate and multiplied by 30 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 Accrual Period in which such Measurement Date occurs; *by*

(b) the amount (not less than zero) equal to (i) the Aggregate Principal Balance of the Collateral Obligations (excluding (x) for any Deferring Security, any interest that has been deferred and capitalised thereon and (y) for the avoidance of doubt, 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 additional notes pursuant to the Trust Deed.

The "**Excess Weighted Average Coupon**" means a percentage equal as of any Measurement Date to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Coupon over the Minimum Weighted Average Coupon by (b) the number obtained by dividing the aggregate outstanding principal balance of all Fixed Rate Collateral Obligations by the aggregate outstanding principal balance of all Floating Rate Collateral Obligations.

The Minimum Weighted Average Coupon Test.

The "**Minimum Weighted Average Coupon Test**" will be satisfied on any Measurement Date if the Weighted Average Coupon *plus* the Excess Weighted Average Spread equals or exceeds the Minimum Weighted Average Coupon.

"**Minimum Weighted Average Coupon**" means (i) if any of the Collateral Obligations are Fixed Rate Collateral Obligations, 5.75 per cent. and (ii) otherwise 0 per cent.

The "**Weighted Average Coupon**", as of any Measurement Date, is the number 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 Collateral Obligations 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, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations.

The "**Aggregate Coupon**" is, as of any Measurement Date, with respect to each Fixed Rate Collateral Obligation excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, the product of (x) stated coupon on such Collateral Obligation expressed as a percentage and (y) the Principal Balance of such Collateral Obligation.

The "**Excess Weighted Average Spread**" means a percentage equal as of any Measurement Date to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Floating Spread over the Minimum Weighted Average Spread by (b) the number obtained by dividing the aggregate outstanding principal balance of all Floating Rate Collateral Obligations by the aggregate outstanding principal balance of all Fixed Rate Collateral Obligations.

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 5 December 2021.

"**Weighted Average Life**" is, as of any Measurement Date with respect to all Collateral Obligations other than Defaulted Obligations and Deferring Securities, the number of years following such date obtained by summing the products obtained by multiplying:

(a) the Average Life at such time of each such Collateral Obligation by (b) the Principal Balance of such Collateral Obligation and dividing such sum by:

(b) the Aggregate Principal Balance at such time of all Collateral Obligations other than Defaulted Obligations.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Obligation, 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 Measurement Date to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation; *provided* that, if the Aggregate Principal Balance of the Collateral Obligations (excluding any Defaulted Obligations) exceeds the Reinvestment Target Par Balance, the Collateral Obligations included in the calculation of the Average Life shall be only those Collateral Obligations with an Aggregate Principal Balance equal to the Reinvestment Target Par Balance (starting with Collateral Obligations with the shortest Average Lives).

Rating Definitions

Moody's Ratings Definitions

"**Moody's Default Probability Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if the Obligor of such Collateral Obligation has a CFR, then such CFR;

(b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Obligation 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 Collateral Manager in its sole discretion;

(c) if not determined pursuant to clauses (a) or (b) above, if the Obligor of such Collateral Obligation 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 Collateral 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 Collateral Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an Affiliate of the Collateral 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 Collateral Obligation 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 Collateral Obligation, 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 Collateral Obligation 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 Collateral Obligation 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 Collateral Obligation	S&P Rating (Public and Monitored)	Collateral Obligation 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 Collateral Obligation 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 Collateral 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 Collateral Obligation 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 Collateral Obligation 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 Collateral Obligations 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 Collateral Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Obligation to assign a rating or rating estimate with respect to such Collateral Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating of such Collateral Obligation for purposes of the definitions of Moody's Rating or Moody's Default Probability Rating shall be (i) "B3" if the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate shall be at least "B3" and if the Aggregate Principal Balance of Collateral Obligations determined pursuant to this clause (c)(i) and clause (a) above does not exceed 5 per cent. of the Aggregate Principal Balance or (ii) otherwise, "Caa1."

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.

"**Moody's Rating**" means:

(a) with respect to a Collateral Obligation that is a Secured Senior Loan or a Secured Senior Bond:

(i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation 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 Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iv) if none of clauses (i) through (iii) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(v) if none of clauses (i) through (iv) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3"; and

(b) with respect to a Collateral Obligation other than a Secured Senior Loan or a Secured Senior Bond:

(i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation 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 Collateral Manager in its sole discretion;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation 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 Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation 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 Collateral Manager in its sole discretion;

(v) if none of clauses (i) through (iv) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(vi) if none of clauses (i) through (v) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3".

Fitch Ratings Definitions

The "**Fitch Rating**" of any Collateral Obligation 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 Collateral Obligation in respect of which there is a Fitch issuer default rating, whether public or privately provided to the Collateral Manager following notification by the Collateral Manager that the Issuer has entered into a binding commitment to acquire such Collateral Obligation (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 Collateral Obligation 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 Collateral Obligation, 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 Collateral Obligation 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 Collateral 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 Collateral Obligation shall either be deemed to have a Fitch Rating of "B-", subject to the Collateral 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; or

(h) if such Collateral Obligation 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 Collateral 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 Collateral 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 (i) if a debt security or obligation of the Obligor has been in default during the past two years, the Fitch Rating of such Collateral Obligation shall be treated as "D", (ii) 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 (x) if the applicable Collateral Obligation has been put on rating watch negative or negative credit watch for possible downgrade by Fitch, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by Fitch, and (y) notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Collateral Obligations at any time.

"**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	Below "Ba2", but at or above "Ca"	-2
Senior secured or subordinated	Moody'	"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 Collateral Obligation, 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 Collateral Obligation, 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 Collateral Obligation, 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 Collateral Obligation, 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**" means Standard & Poor's Ratings Services, a division of the McGraw Hill Companies, Inc. and any successor or successors thereto.

"**S&P Issuer Credit Rating**" means in respect of a Collateral Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

The Coverage Tests

The Coverage Tests will consist of the Class A Par Value Test, the Class B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class A Interest Coverage Test, the Class B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test. The Coverage Tests will be used primarily to determine whether interest may be paid on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes, whether Principal Proceeds may be reinvested in Substitute Collateral Obligations; or whether Interest Proceeds and, to the extent needed, Principal Proceeds, in the event of failure to satisfy the Class A Coverage Tests, must instead be used to pay principal on the Class A-1 Notes and, after redemption in full thereof, principal on the Class A-2 Notes; or in the event of failure to satisfy the Class B Coverage Tests, to pay principal on the Class A-1 Notes and, after redemption in full thereof, principal on the Class A-2 Notes and, after redemption in full thereof, principal on the Class B Notes; or in the event of failure to satisfy the Class C Coverage Tests, to pay principal on the Class A-1 Notes and, after redemption in full thereof, principal on the Class A-2 Notes and, after redemption in full thereof, principal on the Class B Notes and, after redemption in full thereof, principal on the Class C Notes; or, in the event of failure of the Class D Coverage Tests, to pay principal on the Class A-1 Notes and, after redemption in full thereof, principal on the Class A-2 Notes and, after redemption in full thereof, principal on the Class B Notes and, after redemption in full thereof, principal on the Class C Notes and, after redemption in full thereof, principal on the Class D Notes, in each case to the extent necessary to cause the Coverage Tests relating to the relevant Class of Notes to be met.

Each of the Class A Par Value Test, the Class A Interest Coverage Test, the Class B Par Value Test, the Class B Interest Coverage Test, the Class C Par Value Test, the Class C Interest Coverage Test, the Class D Par Value Test and the Class D Interest Coverage Test shall apply on a Measurement Date (i) on and after the Effective Date in respect of the Par Value Tests and (ii) on and after the Determination Date immediately preceding the Payment Date occurring on 20 January 2015 in the case of the Interest Coverage Test and shall be satisfied on a Measurement 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
Class A Par Value	133.3%
Class A Interest Coverage	125.0%
Class B Par Value	123.9%
Class B Interest Coverage	112.0%
Class C Par Value	116.6%
Class C Interest Coverage	105.0%
Class D Par Value	108.7%
Class D Interest Coverage	102.0%

DESCRIPTION OF THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT

The following description of the Collateral Management and Administration Agreement consists of a summary of certain provisions of the Collateral Management and Administration Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement. Capitalised terms used in this section and not defined in this Offering Circular shall have the meaning given to them in the Collateral Management and Administration Agreement.

General

Pursuant to the Collateral Management and Administration Agreement, the Issuer has appointed the Collateral Manager to manage the Portfolio and in accordance with the terms and conditions set out therein, the Collateral Manager, the Collateral Sub-Manager and the Issuer have entered into the Collateral Sub-Management Agreement pursuant to which the Collateral Manager has delegated the performance of its duties and obligations as collateral manager to the Issuer to the Collateral Sub-Manager. The Collateral Manager may delegate the performance of its duties and obligations as collateral manager on the condition that no such delegation shall relieve it from any liability under the Collateral Management and Administration Agreement or the other Transaction Documents.

The investment management functions described herein will be performed by the Collateral Sub-Manager pursuant to authority granted to the Collateral Sub-Manager by the Issuer and the Collateral Manager under the Collateral Sub-Management Agreement. The Collateral Sub-Management Agreement contains procedures whereby the Collateral Sub-Manager will have discretionary authority on behalf of the Issuer in relation to the composition and management of the Portfolio. On this basis, where reference in this section is made to the "Collateral Manager" this shall, in relation to investment management services provided to the Issuer, be read as a reference to the Collateral Sub-Manager.

Duties of the Collateral Manager

Pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Manager will be responsible for the management of the Collateral Obligations, including, without limitation, evaluating, selecting and monitoring the Collateral Obligations, directing the Issuer and the Collateral Administrator with respect to acquisitions and sales of Collateral Obligations, exercising voting or other rights with respect to the Collateral Obligations, attending meetings and otherwise representing the interests of the Issuer in connection with the management of the Collateral Obligations, providing notices to and requesting, directing, disputing and approving action on the part of the Issuer and certain related functions. In addition, pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Manager will be required to assist the Issuer with respect to any Hedge Agreements (to the extent any such agreement is entered into by the Issuer).

Pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Manager will be required to perform its obligations (including in respect of any exercise of discretion) with reasonable care, (i) in a manner consistent with practices and procedures generally followed by prudent institutional collateral managers of international standing, managing assets of the nature of those comprised in the Portfolio, except where such action is expressly provided for or is in accordance with the Collateral Management and Administration Agreement or the Trust Deed, and (ii) to the extent not inconsistent with the foregoing, in a manner consistent with the Collateral Manager's customary standards, policies and procedures in performing its duties under the Transaction Documents (the "**Standard of Care**").

Neither the Collateral Manager nor any of its Affiliates, directors, partners, officers, shareholders, agents or employees will be liable for any losses or damages resulting from any failure to satisfy the foregoing Standard of Care except (A) by reason of acts or omissions constituting fraud, wilful misconduct or due to negligence in the performance of its obligations under the Collateral Management and Administration Agreement or (B) by reason of the information under the headings "*Description of the Collateral Manager and the Collateral Sub-Manager*" and "*Risk Factors—Certain Conflicts of Interest—Certain Conflicts of Interest Involving or Relating to the Collateral Manager, the Collateral Sub-Manager and their Affiliates*" in this Offering Circular containing any untrue statement of material fact or omitting to state a material fact, which makes statements therein, in the light of the

circumstances under which they were made, misleading (collectively, a "**Collateral Manager Breach**"). In no event will the Collateral Manager be liable for any special, consequential or other punitive losses or damages. The Issuer will indemnify the Collateral Manager against liabilities incurred in performing its duties thereunder; provided, that the Issuer will not indemnify the Collateral Manager for any liabilities incurred as a result of any Collateral Manager Breach or a Collateral Sub-Manager Breach. The Collateral Manager (a) will not be liable for any action of the Issuer, the Collateral Sub-Manager, the Trustee or the Collateral Administrator in taking or declining to take any action or follow any advice, recommendation or direction of the Collateral Manager; (b) does not assume any fiduciary duty to the Issuer, the Trustee, any Noteholder or any other person; and (c) 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 Collateral Manager on behalf of the Issuer under the Collateral Management and Administration Agreement.

Pursuant to the terms of the Collateral Management and Administration Agreement, the Issuer will be required to prepare certain reports with respect to the Collateral Obligations. The Collateral Administrator will assist the Issuer and the Collateral Manager in compiling these reports. The Collateral Manager will agree in the Collateral Management and Administration Agreement that it will use reasonable endeavours to cooperate with the Collateral Administrator in the preparation of such reports.

Compensation of the Collateral Manager

As compensation for the performance of its obligations under the Collateral Management and Administration Agreement, the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will be entitled to receive from the Issuer on each Payment Date a senior collateral management fee equal to 0.15 per cent. per annum (exclusive of any value added tax thereon whether payable to the Collateral Manager or any appropriate taxing authority) (calculated semi-annually during a Frequency Switch Period and quarterly at all other times, and in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount measured as of the first day of the Due Period (or if such day is not a Business Day, the next day which is a Business Day) relating to the applicable Payment Date, which collateral management fee will be payable senior to the Notes, but subordinated to certain fees and expenses of the Issuer in accordance with the Priorities of Payments (such fee, the "**Senior Management Fee**").

The Collateral Management and Administration Agreement provides that the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will receive from the Issuer on each Payment Date a subordinated collateral management fee equal to 0.35 per cent. per annum (exclusive of any value added tax thereon whether payable to the Collateral Manager or any appropriate taxing authority) (calculated semi-annually during a Frequency Switch Period and quarterly at all other times, and in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount measured as of the first day of the Due Period (or if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date, as determined by the Collateral Administrator, which collateral management fee will be payable senior to the payments on the Subordinated Notes, but subordinated to the Rated Notes (such fee, the "**Subordinated Management Fee**").

If amounts distributable on any Payment Date in accordance with the Priorities of Payments are insufficient to pay the Senior Management Fee or the Subordinated Management Fee in full, then a portion of the Senior Management Fee or Subordinated Management Fee, as applicable, equal to the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priorities of Payments.

The Collateral Manager, in respect of any Collateral Management Fees due to be paid to it on a Payment Date, may elect to (i) defer any Senior Management Fees and Subordinated Management Fees, (ii) waive any Senior Management Fees and Subordinated Management Fees and/or (iii) direct the Issuer to pay any Senior Management Fees and/or Subordinated Management Fees, or any part thereof (other than any value added tax thereon), to a party of its choice. Any amounts so deferred pursuant to (i) above shall be applied in accordance with the Priorities of Payments. To the extent that the Collateral Manager elects to defer all or a portion thereof and later rescinds such deferral election, the Senior Management Fee and/or Subordinated Management Fee so deferred, as applicable, will be payable on subsequent Payment Dates in accordance with the Priorities of Payments. Any due and

unpaid Collateral Management Fees including Deferred Senior Management Amounts and Deferred Subordinated Management Amounts shall accrue interest at a rate per annum equal to three month EURIBOR (calculated on the basis of a 360 day year consisting of twelve 30 day months from the date due and payable to the date of actual payment). Any amounts so waived pursuant to (ii) above will cease to become due and payable and will not become due and payable at any time. Any amounts directed to be paid by the Collateral Manager to another party pursuant to (iii) above will cease to become due and payable to the Collateral Manager upon proper receipt of those amounts by the nominated party. In addition, in accordance with Condition 3(c) (*Priorities of Payments*), the Collateral Manager may, in its sole discretion, elect to designate that the Senior Management Fee and/or the Subordinated Management Fee be designated for reinvestment or deferred to be used to purchase Substitute Collateral Obligations.

The Collateral Management and Administration Agreement also provides that the Collateral Manager will be entitled to an Incentive Collateral Management Fee (such fee, the "**Incentive Collateral Management Fee**"), payable on each Payment Date subject to the Priorities of Payments, if the Incentive Collateral Management Fee IRR Threshold has been reached, in an amount equal to 20 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payments (exclusive of any value added tax thereon (whether payable to the Collateral Manager or any appropriate taxing authority)). The Collateral Manager may, at its sole discretion, designate all or a part of the Incentive Collateral Management Fee for reinvestment in Substitute Collateral Obligations.

Except as otherwise agreed to by the Issuer and the Collateral Manager, the costs and expenses (including the fees and disbursements of counsel and accountants but excluding all overhead costs and employees' salaries) of the Collateral Manager and of the Issuer incurred in connection with the negotiation and preparation of and the execution of the Transaction Documents and any amendments thereto, and all matters incidental thereto, shall be borne by the Issuer. Subject to the provisions relating to Administrative Expenses in the Priorities of Payments, the Issuer will reimburse the Collateral Manager for expenses including fees and out of pocket expenses reasonably incurred by the Collateral Manager in connection with services provided under the Collateral Management and Administration Agreement including, without limitation, (a) legal advisers, consultants, rating agencies, accountants, brokers and other professionals retained by the Issuer or the Collateral Manager (on behalf of the Issuer), (b) asset pricing and asset rating services, compliance services and software, and accounting, programming and data entry services related to the management of the Collateral, (c) all taxes, regulatory and governmental charges (not based on the income of the Collateral Manager), insurance premiums or expenses, (d) any and all costs and expenses incurred in connection with the acquisition, disposition of investments on behalf of the Issuer (whether or not actually consummated) and management thereof, including attorneys' fees and disbursements, (e) preparing reports to holders of the Notes, (f) reasonable travel expenses (including without limitation airfare, meals, lodging and other transportation) undertaken in connection with the performance by the Collateral Manager of its duties pursuant the Collateral Management and Administration Agreement or other Transaction Document (including for the avoidance of doubt, travel expenses incurred in connection with the attendance of the Collateral Manager's officers and employees at any bank meetings), (g) expenses and costs in connection with any investor conferences, (h) any broker or brokers in consideration of brokerage services provided to the Collateral Manager in connection with the sale or purchase of any Collateral Obligation, Equity Security, Eligible Investment, or other assets received in respect thereof, (i) bookkeeping, accounting or recordkeeping services obtained or maintained with respect to the Issuer (including those services rendered at the behest of the Collateral Manager), (j) software programs licensed from a third party and used by the Collateral Manager in connection with servicing the Collateral, (k) fees and expenses incurred in obtaining the Market Value of Collateral Obligations (including without limitation fees payable to any nationally recognised pricing service), (l) audits incurred in connection with any consolidation review, (m) any fees, expenses or other amounts payable to the Rating Agencies, the Collateral Administrator, the Trustee, the Agents or the independent accountant, (n) any expense incurred by it to employ outside lawyers or consultants necessary, or any reasonable travel expenses incurred, in connection with the default, restructuring or enforcement of any Collateral Obligation, (o) the fees and expenses of any legal advisers, consultants, or other professionals retained by the Issuer or the Collateral Manager on behalf of the Issuer in connection with the services provided by the Collateral Manager pursuant to the Collateral Management and Administration Agreement including legal due diligence and documentation reviews and other reviews in connection with such transactions, whether proposed transactions or transactions which are, in fact,

consummated, (p) expenses related to compliance-related matters and regulatory filings relating to the Issuer's activities, (q) any other reasonable fees and expenses associated with the Issuer's investment activities and operations, including brokerage commissions, custodial fees, bank service fees, withholding and transfer fees, clearing and settlement fees, research costs and the Issuer's *pro rata* share of licensing fees for any software for record keeping, and (r) as otherwise agreed upon by parties.

Fees payable to, and costs and expenses of, the Collateral Manager, shall accrue up to the date on which the Collateral Manager's appointment is terminated or the Collateral Manager resigns its appointment, as described further below. If the Collateral Management and Administration Agreement is terminated pursuant to the terms thereof or otherwise, the Collateral Management Fee calculated as provided in the Collateral Management and Administration Agreement shall be pro–rated for any partial periods between Payment Dates during which the Collateral Management and Administration Agreement was in effect and shall be due and payable on the first Payment Date following the date of such termination subject to the Priorities of Payments. For the avoidance of doubt, where the Collateral Manager has resigned or has been removed, but is required to continue providing collateral management services until a successor has been appointed in accordance with the terms herein, the Collateral Manager shall continue to be entitled to the Collateral Management Fees.

Termination of the Collateral Management and Administration Agreement

Subject to the paragraph below, the Collateral Management and Administration Agreement may be terminated, and the Collateral Manager may be removed, for cause by (i) the Issuer at the direction of the Controlling Class (acting by Extraordinary Resolution) or (ii) holders of the Subordinated Notes acting by Extraordinary Resolution (in each case, excluding Notes held by the Collateral Manager or any of its Affiliates) upon 10 Business Days' prior written notice to the Collateral Manager, the Trustee and each Rating Agency. For the purposes of any such termination of the Collateral Management and Administration Agreement, "**cause**" means any one of the following events:

(i) the Collateral Manager wilfully violates any material provision of the Collateral Management and Administration Agreement or the Trust Deed;

(ii) the Collateral Manager breaches any material provision of the Collateral Management and Administration Agreement or the Trust Deed that, either individually or in the aggregate, is or could reasonably be expected to be, in the opinion of the Trustee, materially prejudicial to the interests of the holders of any Class of Notes (excluding for purposes of this clause (ii) any actions referred to in clause (i) above or clause (v) below) and fails to cure such breach within 30 days of becoming aware of, or receiving notice from the Issuer of, such breach or, if such breach is not capable of cure within 30 days, the Collateral Manager fails to cure such breach within the period in which a reasonably diligent person could cure such breach (but in no event more than 90 days);

(iii) certain bankruptcy events (excepting consolidation, amalgamation or merger) occur with respect to the Collateral Manager as described in the Collateral Management and Administration Agreement;

(iv) the occurrence of an Event of Default as set out in Condition 10(a)(i) (*Non payment of interest*), Condition 10(a)(ii) (*Non payment of principal*), Condition 10(a)(vi) (*Insolvency Proceedings*) or Condition 10(a)(vii) (*Illegality*) that arises directly from a breach of the Collateral Manager's duties under the Collateral Management and Administration Agreement, which breach is not cured within any applicable cure period set forth in the Conditions;

(v) any legal, regulatory or other authorisations which are necessary for the performance of the Collateral Manager's obligations under any applicable laws are not in place or the performance by the Collateral Manager in accordance with the Collateral Management and Administration Agreement and the other Transaction Documents is in breach of any applicable laws, except for those jurisdictions in which the failure to be so qualified, authorised or licensed would not have a material adverse effect on the business, operations, assets or financial condition of the Collateral Manager or on the ability of the Collateral Manager to perform its obligations under, or on the validity or enforceability of, the Collateral Management and Administration Agreement; or

(vi) the Collateral Manager is convicted, or any of its senior executive officers is convicted, of a criminal offence under the laws of any jurisdiction in which it conducts business, which materially adversely affects the Collateral Manager's ability to perform its obligations under the Collateral Management and Administration Agreement, unless, in the case of a conviction of a senior executive officer of the Collateral Manager, such senior executive officer has, within 30 days after such occurrence, been removed from performing work in fulfilment of the Collateral Manager's obligations under the Collateral Management and Administration Agreement.

Pursuant to the terms of the Collateral Management and Administration Agreement, if the Collateral Manager becomes aware that any of the events specified in clauses (i) through (vi) (inclusive) above has occurred, the Collateral Manager will be required to give prompt written notice thereof to the Issuer, the Trustee, the Collateral Administrator, the holders of all outstanding Notes in accordance with the Conditions, each Hedge Counterparty and each Rating Agency upon the Collateral Manager becoming aware of the occurrence of such event.

The Collateral Management and Administration 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 Portfolio and the final distribution of the proceeds of such liquidation as provided in the Transaction Documents, and (iii) the determination in good faith by the Issuer that the Issuer or the Portfolio has become required to be registered under the Investment Company Act, and the Issuer notifies the Collateral Manager thereof.

Resignation

The Collateral Manager may resign, upon 90 days' prior written notice (or such shorter notice as is acceptable to the Issuer and the Trustee) to the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and each Rating Agency. Such resignation will not be effective until the date as of which a successor Collateral Manager has been appointed as described below.

The Collateral Manager may resign its appointment upon shorter notice than to be given above (i) in circumstances where there is a change in law, or the application of any applicable law, which makes it illegal for the Collateral Manager to carry on its duties under the Collateral Management and Administration Agreement in which case such resignation shall take effect upon the termination of such notice period as the Collateral Manager requires in order to comply with such change or application of law or (ii) if the Collateral Manager is authorised by the FCA, the Collateral Manager ceases to be authorised by the FCA (unless such authorisation is not required for the lawful performance by the Collateral Manager of its obligations under the Transaction Documents).

Appointment of Successor

Upon any removal or resignation of the Collateral Manager, to the extent it is permitted to do so in compliance with any applicable law or regulation, the Collateral Manager will continue to act in such capacity until a successor collateral manager has been appointed in accordance with the terms of the Collateral Management and Administration Agreement.

Within 90 days of the resignation, termination or removal of the Collateral Manager while any of the Notes are outstanding, the Subordinated Noteholders (acting by Ordinary Resolution) may propose a successor collateral manager by delivering notice thereof to the Issuer, the Trustee and the Noteholders. The Controlling Class (acting by Ordinary Resolution) may, within 30 days from receipt of such notice, object to such successor collateral manager by delivery of written notice of such objection to the Issuer and the Trustee. If no notice of objection is received by the Issuer and the Trustee within such time period, such proposed successor collateral manager will be appointed Collateral Manager by the Issuer on substantially the same terms. If the Subordinated Noteholders (acting by Ordinary Resolution) make no such proposal within such 90-day period or if such proposal is rejected, the Controlling Class (acting by Ordinary Resolution) may propose a successor collateral manager by delivering notice thereof to the Issuer, the Trustee and the Noteholders pursuant to the Conditions; provided that no such proposed successor collateral manager may be an Affiliate of a holder of the Controlling Class (and any such successor shall certify to the Issuer and the Trustee in writing (upon which certificate the Trustee shall rely without further enquiry) that it is not a holder of the Controlling Class or an Affiliate of a holder of the Controlling Class). The Subordinated Noteholders (acting by Ordinary Resolution)

may, within 30 days from receipt of such notice, object to such successor collateral manager by delivery of notice of such objection to the Issuer and the Trustee. If no notice of objection is received by the Issuer and the Trustee within such time period from the Subordinated Noteholders (acting by Ordinary Resolution), such proposed successor collateral manager will be appointed Collateral Manager by the Issuer on substantially the same terms. Within 30 days of receipt of notice of any such objection, either the Controlling Class (acting by Ordinary Resolution) or the Subordinated Noteholders (acting by Ordinary Resolution) may propose a successor collateral manager by written notice to the Trustee, the Issuer and the holders of the Notes pursuant to the Conditions and either the Controlling Class (acting by Ordinary Resolution) or the Subordinated Noteholders (acting by Ordinary Resolution), as the case may be, may, within 30 days from receipt of such notice, deliver to the Issuer and the Trustee notice of objection thereto. If no notice of objection is received by the Issuer and the Trustee within such time period from the Subordinated Noteholders (acting by Ordinary Resolution) or the Controlling Class (acting by Ordinary Resolution), such proposed successor collateral manager will be appointed Collateral Manager by the Issuer on substantially the same terms. If a notice of objection is received within 30 days, then either Class of Noteholders may again propose a successor collateral manager in accordance with the foregoing. Notwithstanding the above, if no successor collateral manager has been appointed within 150 days following the date of resignation, termination or removal of the Collateral Manager, the Issuer will appoint a successor collateral manager proposed by the Controlling Class (acting by Ordinary Resolution) and notified to the Trustee in writing on substantially the same terms so long as such successor collateral manager (i) is not a Person that was previously objected to by the Subordinated Noteholders (acting by Ordinary Resolution) and (ii) is not an Affiliate of a holder of the Controlling Class (and any such successor shall certify to the Issuer and the Trustee in writing (upon which certificate the Trustee shall rely without further enquiry) that it is not a holder of the Controlling Class or an Affiliate of a holder of the Controlling Class), provided that if the holders of the Controlling Class have not proposed a replacement within 30 days following the end of such 150 day period, the Issuer or the Collateral Manager may petition any court of competent jurisdiction for the appointment of a successor collateral manager, which appointment will not require the consent of, nor be subject to the disapproval of, the Issuer or any Noteholder.

Any replacement Collateral Manager must satisfy the conditions described below under "*Successor Requirements*".

Assignment by the Collateral Manager

The Collateral Management and Administration Agreement provides that, except as described in the following paragraphs, no rights or obligations under the Collateral Management and Administration Agreement (or any interest therein) may be assigned or delegated by the Collateral Manager.

The Collateral Manager is permitted to assign its rights and delegate its duties under the Collateral Management and Administration Agreement to any transferee or delegate so long as (i) such assignment or delegation is consented to by the Issuer, the Controlling Class (acting by Ordinary Resolution) and the Subordinated Noteholders (acting by Ordinary Resolution), in each case excluding any Notes held by the Collateral Manager or any of its Affiliates (ii) each Rating Agency has confirmed in writing that the then-current rating assigned by such Rating Agency to any of the Notes will not be reduced, withdrawn or qualified as a result of such assignment or delegation, and (iii) such transferee or delegate is an Eligible Successor.

In addition, the Collateral Manager is permitted to assign its rights and delegate its duties under the Collateral Management and Administration Agreement to any Affiliate or Related Entity of the Collateral Manager and any such assignment shall not be subject to the requirements specified at (i) and (ii) of the preceding paragraph; provided that such Affiliate or Related Entity (i) is an Eligible Successor, and (ii) such assignment or delegation is in compliance with the restrictions set out in, and does not cause, directly or indirectly, the transaction to be non-compliant with the requirements of, the Retention Requirements.

As at the Issue Date, the Collateral Manager intends to delegate its duties under the Collateral Management and Administration Agreement to the Collateral Sub-Manager in accordance with the Collateral Sub-Management Agreement. Notwithstanding the foregoing delegation of its duties to the Collateral Sub-Manager, the Collateral Manager shall not be relieved of any of its duties under the Collateral Management and Administration Agreement regardless of the performance of any services

by the Collateral Sub-Manager and shall remain liable for the performance of its obligations under the Collateral Management and Administration Agreement.

Any corporation, partnership or limited liability company into which the Collateral 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 Collateral Manager will be a party, or any corporation, partnership or limited liability company succeeding to all or substantially all of the collateral management business of the Collateral Manager, will be the successor to the Collateral Manager without any further action by the Collateral 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.

Any assignment in accordance with the Collateral Management and Administration Agreement will bind the assignee in the same manner as the Collateral Manager is bound. Upon the execution and delivery of a counterpart of the Collateral Management and Administration Agreement by the assignee, the Collateral Manager will be released from further obligations under the Collateral Management and Administration Agreement, except with respect to (x) its agreements and obligations arising under various sections of the Collateral Management and Administration Agreement in respect of acts or omissions occurring prior to such assignment and (y) its obligations under the Collateral Management and Administration Agreement in respect of acts upon termination. Any rights of the Collateral Manager stated to survive the termination of the Collateral Management and Administration Agreement, shall remain vested in the Collateral Manager after the termination in accordance with the terms of the Collateral Management and Administration Agreement.

In addition, the Collateral Manager may employ third parties (including Affiliates) to render advice (including investment advice) and assistance to the Issuer; provided, that (A) the Collateral Manager will not be relieved of any of its duties under the Collateral Management and Administration Agreement as a result of such employment of third parties and (B) the Collateral Manager will be solely responsible for the fees and expenses payable to any such third party except to the extent such expenses are payable by the Issuer under the Collateral Management and Administration Agreement, and provided that such third party has the requisite Dutch regulatory capacity. The Collateral Manager may not, however, employ or permit Affiliates or third parties to perform services on its behalf if such permission would cause the Issuer to be subject to tax in any jurisdiction outside its jurisdiction of incorporation or would cause any additional value added tax to become payable by the Issuer.

Successor Requirements

Any removal or resignation of the Collateral Manager as described above that occurs while any Notes are outstanding under the Trust Deed will be effective only if (i) 10 Business Days' prior notice is given to the Rating Agencies, the Noteholders, the Collateral Administrator and the Trustee, (ii) Rating Agency Confirmation has been received from each Rating Agency in respect of such termination and assumption by an eligible successor and (iii) the Issuer appoints an Eligible Successor as a successor Collateral Manager where **"Eligible Successor"** means an entity (1) that has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management and Administration Agreement with a substantially similar (or better) level of expertise, (2) that is legally qualified and has or (in the event that its delegate rather than the collateral manager provides investment management services directly to the Issuer) its delegate has the capacity (including Dutch regulatory capacity to provide collateral management services to Dutch counterparties as a matter of the laws of The Netherlands) to act as Collateral Manager under the Collateral Management and Administration Agreement in the assumption of all of the responsibilities, duties and obligations of the Collateral Manager under the Collateral Management and Administration Agreement and under the applicable terms of the other Transaction Documents, (3) the appointment of which will not cause either of the Issuer or the Collateral to become required to register under the provisions of the Investment Company Act and (4) the appointment and conduct of which will not cause the Issuer to be subject to taxation outside its jurisdiction of incorporation or to be engaged in a trade or business in the United States for U.S. federal income tax purposes or to be resident in the United Kingdom for tax purposes, result in the Collateral Management Fees becoming subject to additional value added or similar tax (whether payable to any tax authority or the Collateral Manager) or cause any other material adverse tax consequences to the Issuer. The Issuer, the Trustee and the successor Collateral Manager will take such action (or cause the outgoing Collateral Manager to take such action) consistent with the Collateral Management and Administration Agreement and the terms

of the other Transaction Documents as will be necessary to effectuate any such succession. No termination of the appointment of the Collateral Manager will be effective until a successor Collateral Manager is duly appointed. Any resignation, termination or removal of the Collateral Manager must satisfy the conditions described above under "*Appointment of Successor*".

Replacement of Collateral Manager

The Collateral Manager may, without the prior consent of the Noteholders or any other Secured Party, enter into a novation, amendment and restatement agreement (the **"Collateral Management Restatement Agreement"**) substantially in the form of the Collateral Management and Administration Agreement with, inter alios, the Collateral Sub-Manager, whereupon the Collateral Manager will be released from all of its rights and obligations under the Collateral Management and Administration Agreement and the Collateral Sub-Manager will be appointed as collateral manager to the Issuer and will, save to the extent amended by the Collateral Management Restatement Agreement, assume all of the rights and obligations of the Collateral Manager under the Collateral Management and Administration Agreement. In connection with the execution of the Collateral Management Restatement Agreement, the Collateral Sub-Management Agreement shall be terminated without the prior consent of the Trustee, the Noteholders or any other Secured Party, and each of the Collateral Manager and the Collateral Sub-Manager will be released from all of its rights and obligations under the Collateral Sub-Management Agreement.

No Voting Rights

Notes held by the Collateral Manager, the Collateral Sub-Manager and/or an Affiliate will have no voting rights with respect to any vote in connection with the removal of the Collateral Manager and the Collateral Sub-Manager and will be deemed not to be outstanding in connection with any such vote; provided, however, that Notes held by the Collateral Manager, the Collateral Sub-Manager and/or an Affiliate will have voting rights with respect to all other matters as to which the Noteholders are entitled to vote, including, without limitation, any vote in connection with the appointment of a replacement collateral manager which is not Affiliated with the Collateral Manager and the Collateral Sub-Manager in accordance with the Collateral Management and Administration Agreement and in connection with an optional redemption.

DESCRIPTION OF THE COLLATERAL SUB-MANAGEMENT AGREEMENT

The following is a summary of the principal terms of the Collateral Sub-Management Agreement entered into by the Collateral Manager on the Issue Date, which should not be relied upon as an exhaustive description of the detailed provisions of such document.

General Duties of the Collateral Sub-Manager

Pursuant to the terms of the Collateral Sub-Management Agreement, the Collateral Manager will delegate its duties and obligations as Collateral Manager under the Collateral Management and Administration Agreement to the Collateral Sub-Manager. The Collateral Manager shall, notwithstanding such delegation, remain liable to the Issuer for the performance of its duties and obligations under the Collateral Management and Administration Agreement.

Pursuant to such delegation and to the terms of the Collateral Sub-Management Agreement, the Collateral Sub-Manager will have discretionary authority on behalf of the Issuer with respect to the composition and management of the Portfolio.

The Collateral Sub-Manager will undertake in the Collateral Sub-Management Agreement to carry out its duties and exercise its powers thereunder at all times in accordance with the standards, methodology and procedures set out in the Collateral Management and Administration Agreement.

The Collateral Sub-Manager (a) will not be liable for any action of the Issuer, the Collateral Manager, the Trustee or the Collateral Administrator in taking or declining to take any action or follow any advice, recommendation or direction of the Collateral Sub-Manager; (b) does not assume any fiduciary duty to the Issuer, the Trustee, any Noteholder or any other person; and (c) 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 Collateral Sub-Manager on behalf of the Issuer under the Collateral Sub-Management Agreement. The Collateral Sub-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, 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 Collateral Manager, the Noteholders or any other person that arise out of or in connection with the performance by the Collateral Sub-Manager of its duties under the Collateral Sub-Management Agreement, *provided* that nothing shall relieve the Collateral Sub-Manager from liability to such persons for Liabilities arising out of or in connection with (i) acts or omissions constituting wilful misconduct or negligence in the performance of the duties and obligations of the Collateral Sub-Manager, or (ii) information concerning the Collateral Sub-Manager provided in writing by the Collateral Sub-Manager for inclusion in the 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—Risks Relating to Conflicts of Interest—Certain Conflicts of Interest Involving or Relating to the Collateral Manager, the Collateral Sub-Manager and their Affiliates" and "Description of the Collateral Sub-Manager", in the light of the circumstances under which they were made, not misleading (collectively, a "**Collateral Sub-Manager Breach**"). In no event will the Collateral Sub-Manager be liable for any special, consequential or punitive losses or damages.

Compensation of the Collateral Sub-Manager

In consideration of the services rendered by the Collateral Sub-Manager to the Collateral Manager under the Collateral Sub-Management Agreement, the Collateral Sub-Manager shall be paid by the Collateral Manager such fees at a time and in an amount as may be agreed from time to time between the Collateral Manager and the Collateral Sub-Manager. The Issuer shall not be responsible for the payment of any such fees.

Resignation or Termination of the Collateral Sub-Manager's Appointment

The Collateral Sub-Manager may resign upon 90 days' (or such shorter notice as is acceptable to the Issuer and the Collateral Manager) written notice to the Collateral Manager, the Issuer, the Trustee and the Rating Agencies.

The appointment of the Collateral Sub-Manager may be terminated at any time upon not less than 90 days' prior notice in writing (copied to the Issuer, the Trustee and the Rating Agencies) at the discretion of the Collateral Manager.

The appointment of the Collateral Sub-Manager shall be automatically terminated if the Collateral Manager ceases to act as collateral manager to the Issuer or be responsible to, arrange for, or provide investment management services pursuant to the Collateral Management and Administration Agreement.

Assignment by the Collateral Sub-Manager

The Collateral Sub-Management Agreement provides that, except as described in the following paragraphs, no rights or obligations under the Collateral Sub-Management Agreement (or any interest therein) may be assigned or delegated by the Collateral Sub-Manager (by operation of law or otherwise). In addition, no such assignment or delegation by the Collateral Sub-Manager shall be effective if such assignment or delegation is to a transferee or delegate that does not qualify as an Eligible Assignee.

"**Eligible Assignee**" means an entity (1) that has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Sub-Manager under the Collateral Sub-Management Agreement with a substantially similar (or better) level of expertise, (2) that has the regulatory capacity (a) under the laws of the jurisdiction(s) from which it is to perform the duties of the Collateral Sub-Manager under the Collateral Sub-Management Agreement (to the extent required as a matter of law and regulation of such jurisdiction(s)) to act as Collateral Sub-Manager under the Collateral Sub-Management Agreement and the other Transaction Documents and (b) under the laws of The Netherlands to act as collateral sub-manager under the Collateral Sub-Management Agreement and the other Transaction Documents, (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 taxation outside its jurisdiction of incorporation or to be engaged in a trade or business in the United States for U.S. federal income tax purposes or to be resident in the United Kingdom for tax purposes, result in the Collateral Management Fees becoming subject to additional value added or similar tax (whether payable to any tax authority or any collateral manager) or cause any other material adverse tax consequences to the Issuer and (5) the amount of value added tax chargeable in respect of the services provided by such entity as Collateral Sub-Manager under the Collateral Sub-Management Agreement will not be greater than the amount of value added tax chargeable in respect of such services when provided by the outgoing Collateral Sub-Manager.

The Collateral Sub-Manager is permitted to assign its rights and delegate its duties under the Collateral Sub-Management Agreement to any transferee or delegate so long as (i) such assignment or delegation is consented to by the Collateral Manager, the Issuer, the Controlling Class (acting by Ordinary Resolution) and the Subordinated Noteholders (acting by Ordinary Resolution) in each case excluding any Notes held by the Collateral Sub-Manager or any of its Affiliates, and (ii) Rating Agency Confirmation is obtained with respect to such assignment or delegation, and provided further that such transferee is an Eligible Assignee.

The Collateral Sub-Manager is permitted to assign its rights and delegate its duties under the Collateral Sub-Management Agreement to any Affiliate or Related Entity of the Collateral Sub-Manager and any such assignment or delegation shall not be subject to the requirements specified in paragraph (i) and (ii) of the immediately preceding paragraph; provided, that (a) such Affiliate or Related Entity is an Eligible Assignee and (b) such assignment or delegation is in compliance with the restrictions set out in, and does not cause, directly or indirectly, the transaction to be non-compliant with the requirements of, the Retention Requirements.

Notwithstanding anything in the Collateral Sub-Management Agreement to the contrary, the Collateral Sub-Manager may not 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 tax in any jurisdiction outside its jurisdiction of incorporation (other than any withholding tax payable under any Collateral Obligation) or to any additional value added tax.

Termination of the Collateral Sub-Management Agreement

If the Collateral Manager and the Collateral Sub-Manager enter into the Collateral Management Restatement Agreement pursuant to which the Collateral Sub-Manager will replace the Collateral Manager, the Collateral Sub-Management Agreement shall be terminated without the prior consent of the Noteholders or any other Secured Party, and each of the Collateral Manager and the Collateral Sub-Manager will be released from all of its rights and obligations under the Collateral Sub-Management Agreement.

Governing Law

The Collateral Sub-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 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.

General

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

"Deutsche Bank AG, London Branch" is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG, London Branch is an authorized person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

As of 30 June 2013, Deutsche Bank's subscribed capital amounted to Euro 2,609,919,078.40 consisting of 1,019,499,640 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all German Stock Exchanges. They are also listed on the New York Stock Exchange.

As of 30 June 2013, Deutsche Bank Group had total assets of Euro 1,909,879 million, total liabilities of Euro 1,852,144 million, and total equity of Euro 57,735 million on the basis of International Financial Reporting Standards (unaudited).

Deutsche Bank's long-term senior debt has been assigned a rating of A (outlook stable) by Standard & Poor's, A2 (outlook stable) by Moody's Investors Service and A+ (outlook stable) by Fitch Ratings.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Collateral Management and Administration 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 by the Issuer at its discretion or 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 Management and Administration Agreement.

DESCRIPTION OF THE LIQUIDITY FACILITY PROVIDER

The information appearing in this section has been prepared by the Liquidity Facility Provider 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 Liquidity Facility Provider assumes any responsibility for the accuracy or completeness of such information.

Deutsche Bank originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

"Deutsche Bank AG, London Branch" is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG, London Branch is an authorized person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

As of 30 June 2013, Deutsche Bank's subscribed capital amounted to Euro 2,609,919,078.40 consisting of 1,019,499,640 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all German Stock Exchanges. They are also listed on the New York Stock Exchange.

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Deutsche Bank's long-term senior debt has been assigned a rating of A (outlook stable) by Standard & Poor's, A2 (outlook stable) by Moody's Investors Service and A+ (outlook stable) by Fitch Ratings

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions which, pursuant to the Collateral Management and Administration 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 the satisfaction of the Hedging Condition, the Issuer (or the Collateral Manager on its behalf) may enter into transactions documented under a 1992 or (Multicurrency - Cross Border) or 2002 Master Agreement or such other form published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"). Each Hedge Transaction will be evidenced by a confirmation entered into pursuant to a Hedge Agreement.

Each Hedge Transaction will be for the purposes of:

(a) in the case of an Interest Rate Hedge Transaction, hedging any interest rate mismatch between the Rated Notes and the Collateral Obligations; and

(b) in the case of a Currency Hedge Transaction, exchanging payments of principal, interest and other amounts in respect of any Non-Euro Obligation for amounts denominated in Euros at the Currency Hedge 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) and has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

For the avoidance of doubt, the ability of the Issuer or the Collateral Manager on its behalf to enter into any Currency Hedge Transactions, and therefore the ability of the Issuer or the Collateral Manager on its behalf to acquire Non-Euro Obligations, is subject to the satisfaction of the Hedging Condition.

Replacement Hedge Transactions

Currency Hedge Transactions: In the event that any Currency Hedge Transaction terminates in whole at any time in circumstances in which the applicable Currency Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Currency Hedge Agreement), the Issuer (or the Collateral Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Currency Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and which has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

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 Interest Rate Hedge Agreement) the Issuer (or the Collateral 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 which has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

Standard Terms of Currency Hedge Transactions

Any Currency Hedge Transaction shall contain the following terms (provided that the Issuer may enter into Currency Hedge Transactions on different terms than those set forth below, subject to receipt of Rating Agency Confirmation in respect thereof):

(a) on the effective date of entry into such transaction, the Issuer pays to the Currency Hedge Counterparty an initial exchange amount in Euros equal to the purchase price of such Non-Euro Obligation, converted into Euros at the Currency Hedge Transaction Exchange Rate in exchange for payment by the Currency Hedge Counterparty of an initial exchange amount in the relevant currency equal to the purchase price of such Non-Euro Obligation;

(b) on or about the scheduled date of termination of such transaction, the Issuer pays to the Currency Hedge 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 Currency Hedge Counterparty of a final exchange amount denominated in Euros, such final exchange amount to be an amount equal to the Proceeds on Maturity converted into Euros at the Currency Hedge Transaction Exchange Rate;

(c) on or about the date of each scheduled payment of interest on the Non-Euro Obligations, the Issuer pays to the Currency Hedge Counterparty an amount in the relevant non-Euro 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 Currency Hedge 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 Euros at the Currency Hedge Transaction Exchange Rate (the "**Euro Notional Amount**");

(d) the amounts payable pursuant to the terms of a Currency Hedge Transaction in respect of a Delayed Drawdown Collateral Obligation shall be subject to change on an ongoing basis to reflect changes in the amount of the interest and/or commitment fees receivable by the Issuer in respect of such Delayed Drawdown Collateral Obligation from time to time as amounts are drawn down and/or repaid thereunder; and

(e) upon the sale of a Non-Euro Obligation which is the subject of a Currency Hedge Transaction, the Currency Hedge Transaction relating thereto relating thereto shall be terminated on or around the date of such sale in accordance with its terms, resulting in either (i) the Currency Hedge Counterparty receiving the proceeds of the sale of the Non-Euro Obligation from the Issuer (which shall be funded outside the Priorities of Payment from the Currency Account) and returning the Sale Proceeds to the Issuer (which shall be credited to the Principal Account); or (ii) the Issuer retaining the proceeds of sale of the Non-Euro Obligation and either receiving a payment from the Currency Hedge Counterparty or making a payment to the Currency Hedge Counterparty out of such sale proceeds in connection with the termination of the Currency Hedge Transaction as required under the applicable Currency Hedge Agreement (any amounts so received by the Issuer to be converted into Euro at the prevailing spot exchange rate and paid into the Principal Account in accordance with the Conditions).

The Collateral Manager, acting on behalf of the Issuer, shall convert all amounts received by it in respect of any Non-Euro Obligation which is not the subject of a related Currency Hedge Transaction into Euros promptly upon receipt thereof at the then prevailing Spot Rate and shall procure that such amounts are paid into the Principal Account or the Interest Account, as applicable.

All amounts received by the Issuer in respect of Non-Euro Obligations shall be paid into the appropriate Currency Account and all amounts payable by the Issuer under any Currency Hedge Transaction (other than any initial exchange amounts payable in Euros by the Issuer, any Hedge Replacement Payments and any Currency Hedge Issuer Termination Payments save to the extent otherwise provided in Condition 3(j)(ix) (*Currency Accounts*)) will be paid out of the appropriate Currency Account, in each case to the extent amounts are available therein.

The Issuer shall only be obliged to pay Scheduled Periodic Currency Hedge Issuer Payments to a Currency Hedge Counterparty if and to the extent it actually receives the corresponding amount in respect of the relevant Non-Euro Obligation.

The Issuer shall be required to enter into a Currency Hedge Transaction in respect of each Revolving Obligation and Delayed Drawdown Collateral Obligation which is a Non-Euro Obligation. Each such Currency Hedge Transaction shall be subject to the receipt of Rating Agency Confirmation and shall be entered into in respect of the full Principal Balance of such Revolving Obligation and Delayed

Drawdown Collateral Obligation (including any Unfunded Amount thereof) and the interim payments payable thereunder shall, pursuant to the terms of such Currency Hedge Transaction, be subject to amendment on an on-going basis to reflect changes in the amount of coupon and/or commitment fees receivable by the Issuer in respect of such Revolving Obligation or Delayed Drawdown Collateral Obligation from time to time as amounts are drawn down thereunder. The specific hedging arrangements relating to any purchase of any Revolving Obligation or Delayed Drawdown Collateral Obligation which, pursuant to its terms, requires the Issuer to make one or more future advances or other extensions of credit in more than one currency shall be subject to the receipt of Rating Agency Confirmation.

If, following the insolvency of the Issuer and/or the acceleration of the Notes, the Currency Hedge Counterparty elects not to early terminate any Currency Hedge Transaction, such Currency Hedge Transaction shall terminate in accordance with its terms upon the sale of the relevant Non-Euro Obligation, resulting in the Currency Hedge Counterparty receiving the proceeds of the sale of the Non-Euro Obligation from the Issuer and returning the Sale Proceeds (in accordance with paragraph (b) of the definition thereof, for the avoidance of doubt, net of any termination cost in respect of the early termination of the Currency Hedge Transaction, as determined by the Currency Hedge Counterparty) to the Issuer.

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 the Issuer will not 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. The event of any withholding or deduction for or on account of tax being required to be paid in respect of payments under each Hedge Agreement 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 (subject in some cases to the consent of the Hedge Counterparty) so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein and in the Conditions (including 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 Payments set out in Condition 3(c) (*Priorities of Payments*). The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse*).

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 occurrence of a number of events (including without limitation):

(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 any 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 to perform its obligations under, the applicable Hedge Agreement;

(d) a regulatory change or change in the regulatory status of the Issuer which cannot be remedied by a modification of the relevant Hedge Agreement, 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 in some cases, 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 an Event of Default thereunder);

(g) representations related to certain regulatory matters prove to be incorrect when made, if the Issuer becomes subject to AIFMD, if the Issuer or the Collateral Manager is required to register as a "commodity pool operator" pursuant to the United States Commodity Exchange Act of 1936, as amended and certain representations relating to EMIR;

(h) changes are made to the Transaction Documents without the consent of a 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.

A termination of a Hedge Agreement does not constitute an Event of Default under the Notes though the repayment in full of the Notes may be an additional termination event under a Hedge Agreement.

Hedge Agreements may also contain provisions which allow a Hedge Transaction to terminate upon the occurrence of certain credit events related to the underlying Non-Euro Obligation. These credit events could potentially be triggered in circumstances where the related Collateral Obligation would not constitute a Defaulted Obligation (as such term is defined in the Conditions). In such instances the related Hedge Transaction would terminate and the Issuer (or the Collateral Manager acting on its behalf) may need to sell the related Non-Euro Obligation unless a Replacement Hedge Transaction can be entered into.

Upon the occurrence of any 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 Collateral 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 Collateral 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 for the type of derivative transaction represented by the Hedge Transactions in the event that the Hedge Counterparty (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement. Such provisions may include a requirement that a Hedge Counterparty must post collateral or transfer the Hedge Agreement to another entity (or, as relevant, its guarantor) meeting the applicable Rating Requirement or procure that a guarantor meeting the applicable Rating Requirement guarantees its obligations under the Hedge Agreement or take other actions subject to Rating Agency Confirmation.

Transfer and Modification

The Collateral 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 has the regulatory capacity to enter into derivatives transactions with Dutch residents.

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.

DESCRIPTION OF THE LIQUIDITY FACILITY AGREEMENT

Liquidity Facility Agreement

The Issuer, the Trustee, the Collateral Administrator, the Collateral Manager and Deutsche Bank AG, London Branch, as a liquidity facility provider (the "**Liquidity Facility Provider**") will enter into a liquidity facility agreement (the "**Liquidity Facility Agreement**") to be dated on or about the Issue Date.

Commitment

The maximum amount of the facility (the "**Liquidity Facility**") under the Liquidity Facility Agreement will be an amount equal to €4,000,000, subject to reduction or cancellation in accordance with the terms of the Liquidity Facility Agreement (the "**Commitment**").

Purposes

For the period (the "**Liquidity Facility Commitment Period**") from (and including) the Issue Date to (but excluding) the earliest of (a) the Payment Date falling in October 2017, subject to renewal for one or two additional one year periods, (b) the date on which the Class A-1 Notes and the Class A-2 Notes are redeemed in full and cancelled and (c) the date on which the Liquidity Facility is cancelled in its entirety in accordance with its terms or, in each case, if such day is not a Business Day, the Business Day immediately prior to such day (the "**Liquidity Facility Commitment Period End Date**"), the Issuer will, subject to satisfaction of certain conditions, be entitled to draw under the Liquidity Facility Agreement funds for the payment of any shortfall in the amount of Interest Proceeds and thereafter Principal Proceeds available to pay Interest Amounts due and payable on any Payment Date in respect of each Class of Rated Notes (provided each Coverage Test senior to the payment of Interest Amounts in respect of such Class is satisfied on the relevant Determination Date) pursuant to the Priorities of Payments on such Payment Date (each, an "**Initial Drawdown**") or, to the extent requested the refinancing of any Initial Drawdown (or any refinancing thereof) (each, a "**Subsequent Drawdown**" and together with an Initial Drawdown, a "**Liquidity Drawing**"), and not for any other purpose provided that the maximum aggregate amount which may be drawn down for such purposes on any Drawdown Date shall not exceed the applicable amounts referred to below under "*Drawings and Repayments*".

Drawings and Repayments

Funds to be drawn down under the Liquidity Facility Agreement for the purpose of payment of any amounts pursuant to the Priorities of Payment on any Payment Date may be drawn on a Payment Date by no later than two Business Days' notice but no more than eight Business Days' notice and are subject to a limit equal to the lesser of (a) the Available Commitment (taking into account any Liquidity Drawings scheduled to be repaid on or prior to the Drawdown Date of such Liquidity Drawing and subject to the Collateral Administrator confirming that there will be sufficient amounts available in the Interest Account to make such repayment in full on such date) and (b) any shortfall in the amount of Interest Proceeds and thereafter Principal Proceeds available to pay Interest Amounts due and payable in respect of each Class of Rated Notes (provided each Coverage Test senior to the payment of Interest Amounts in respect of such Class is satisfied on the relevant Determination Date) pursuant to the Priorities of Payments on such Payment Date but only in an amount not exceeding the Accrued Collateral Obligation Interest in respect of such Payment Date.

Liquidity Drawings shall be subject to the following conditions precedent:

(a) the Rated Notes not having been redeemed in full and not being scheduled to be redeemed in full on the immediately following Payment Date (as determined by reference to the circumstances existing on such date of determination); and

(b) on both the date on which such Liquidity Drawing is requested and on the relevant Drawdown Date, no default under the Liquidity Facility Agreement or Event of Default is outstanding or would result from the provision of such Liquidity Drawing.

Each Initial Drawdown shall have an interest period commencing on, with respect to each Initial Drawdown, the relevant Drawdown Date and ending on the Repayment Date relating to such Initial Drawdown.

Pursuant to the Liquidity Facility Agreement, the Issuer or the Collateral Manager on behalf of the Issuer, may redraw one or more times, as applicable, an amount thereunder to refinance (in whole or in part) any such Initial Drawdown (each, an "**Initial Drawdown**") at any time after the Drawdown Date of the related Initial Drawdown (with each such redrawing being a "**Subsequent Drawdown**").

Each Subsequent Drawdown shall not exceed the lesser of:

(a) the Available Commitment (taking into account any Liquidity Drawings scheduled to be repaid on or prior to the Drawdown Date of such Subsequent Drawdown and subject to the receipt of confirmation from the Collateral Administrator that there will be sufficient amounts available in the Interest Account to make repayment in full on such scheduled dates); and

(b) the amount of the Initial Drawdown which such Subsequent Drawdown is refinancing.

The Issuer shall be required to repay all Liquidity Drawings outstanding under the Liquidity Facility Agreement on the earlier to occur of (a) the date on which all moneys and other liabilities owed by the Issuer to the Trustee and the Noteholders under the Notes have been paid in full in accordance with the Priorities of Payment; (b) the occurrence of an Event of Default under the Notes or an event of default under the Liquidity Facility Agreement; and (c) the end of the Liquidity Facility Commitment Period.

In addition, the Issuer shall be required to repay a Liquidity Drawing on the second Payment Date following the date of such Liquidity Drawing (the "**Liquidity Facility Redemption Date**"), provided that such repayment may be effected by way of a refinancing thereof under a Subsequent Drawdown. Liquidity Drawings shall otherwise be repaid on each Payment Date to the extent that there are sufficient Interest Proceeds and/or Principal Proceeds pursuant to the Interest Priority of Payments and/or Principal Priority of Payments and/or Post-Acceleration Priority of Payments to pay such amounts provided that any failure to repay any Liquidity Drawing due to there being insufficient Interest Proceeds or Principal Proceeds shall not constitute an event of default under the Liquidity Facility Agreement.

Renewal of initial Liquidity Facility Commitment Period

The Issuer or the Collateral Manager on behalf of the Issuer (copied in each case to the Trustee and the Collateral Administrator) may deliver, not more than 30 days nor fewer than 15 days before the expiry of the Liquidity Facility Commitment Period, an irrevocable request that the Liquidity Facility Commitment Period be renewed (a "**Renewal Request**") to the Payment Date falling in October in the year immediately following the date of such Renewal Request.

The Issuer or the Collateral Manager on behalf of the Issuer may deliver no more than two Renewal Requests during the term of the Liquidity Facility Agreement.

If the Liquidity Facility Provider wishes to accept such a request to extend the Liquidity Facility Commitment Period, it shall, not later than 10 days before expiry of the Liquidity Facility Commitment Period, deliver to the Issuer (copied to the Trustee, the Collateral Manager and the Collateral Administrator) an irrevocable notice that it has consented to the request contained in the Renewal Request.

Rating of Liquidity Facility

If the Moody's rating or the Fitch rating of the Class A-1 Notes is withdrawn and not reinstated, the Liquidity Facility Provider shall either (i) obtain a rating on the Liquidity Facility (which rating shall be obtained at the cost and expense of the Liquidity Facility Provider) from each Rating Agency that is no longer rating the Class A-1 Notes within 60 days of each such Rating Agency withdrawing its rating on the Class A-1 Notes (provided that each reference above to the Class A-1 Notes shall be a reference to the Class A-2 Notes if the Class A-1 Notes are no longer Outstanding) or (ii) terminate the Liquidity Facility Agreement, with no recourse to the Liquidity Facility Provider, and declare the Liquidity Facility Loan and all other amounts payable under the Liquidity Facility Agreement due and payable

(whereupon such amounts shall become immediately due and payable) by providing written notice to the Issuer, the Trustee, the Collateral Manager and the Collateral Sub-Manager.

Prefunded Commitment

The Available Commitment may be utilised (such drawing, a "**Prefunded Commitment Utilisation**") by delivery to the Liquidity Facility Provider (copied to the Collateral Administrator and the Trustee) by the Issuer or the Collateral Manager, acting on its behalf, of a duly completed prefunded commitment request (the "**Prefunded Commitment Request**") on eight Business Days' notice if on any day the Liquidity Facility Provider does not meet the Rating Requirement and the Liquidity Facility Provider has not transferred all of its rights and obligations to a replacement Liquidity Facility Provider that meets the Rating Requirement and is acceptable to the Issuer and the Collateral Manager in accordance with and subject to the provisions of the Liquidity Facility Agreement.

Each Prefunded Commitment Request is irrevocable and will not be regarded as having been duly completed unless:

(a) the proposed Prefunded Commitment Date (as defined in the Liquidity Facility Agreement) is a Business Day within the Liquidity Facility Commitment Period; and

(b) the amount of the Prefunded Commitment Utilisation is equal to the Available Commitment at the date of such Prefunded Commitment Request.

The Liquidity Facility Provider shall advance the required amount to the Issuer through its facility office forthwith upon receipt of the Prefunded Commitment Request and upon making a Prefunded Commitment Utilisation the Issuer shall forthwith credit the amount received to the Prefunded Commitment Account.

The Issuer shall have full legal and beneficial title to the amounts from time to time standing to the credit of the Prefunded Commitment Account subject to the right of the Liquidity Facility Provider to be repaid amounts standing to the credit of the Prefunded Commitment Account in accordance with the Liquidity Facility Agreement. Without prejudice thereto, the Issuer shall only make withdrawals from the Prefunded Commitment Account in accordance with Condition 3(j)(xiii) (*Prefunded Commitment Account*), and the amount of a Liquidity Facility Provider's Prefunded Commitment shall be reduced by the amount of such withdrawals and any such withdrawal shall be deemed to be a Liquidity Drawing.

Any Prefunded Commitment (or part thereof) shall be repaid to the Liquidity Facility Provider together with accrued interest thereon as follows:

(a) on the earlier of the date on which all moneys and other liabilities due or owing by the Issuer in accordance with the Trust Deed have been repaid in full and the final day of the Liquidity Facility Commitment Period;

(b) on the Payment Date on which the Rated Notes are redeemed in full;

(c) on the day when the amounts outstanding under the Liquidity Facility become accelerated and repayable in full;

(d) on the first Business Day after the Liquidity Facility Provider has given notice to the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager that the Liquidity Facility Provider either satisfies the Rating Requirement or has transferred its rights and obligations to a replacement liquidity facility provider in accordance with the Liquidity Facility Agreement;

(e) on the first Business Day after the Liquidity Facility Provider has caused an entity meeting the Rating Requirement to guarantee or provide a letter of credit or an indemnity in respect of its obligations in full; and

(f) on any day on which the Commitment for the Liquidity Facility Provider is reduced, cancelled or transferred, in an amount equal to the proportion of such Commitment so reduced, cancelled or transferred.

Interest on Drawings and Available Commitment

A commitment fee during the Liquidity Facility Commitment Period shall be payable by the Issuer equal to:

(a) (i) if the Moody's rating assigned to the Class A-1 Notes is greater than or equal to "Aa3" and (ii) the Fitch rating assigned to the Class A-1 Notes is greater than or equal to "AA-", 0.65% per annum; or

(b) if the Moody's rating assigned to the Class A-1 Notes is greater than or equal to "Baa2" and the Fitch rating assigned to the Class A-1 Notes is greater than or equal to "BBB" but the Moody's rating assigned to the Class A-1 Notes is less than "Aa3" or the Fitch rating assigned to the Class A-1 Notes is less than "AA-", 1.20% per annum; or

(c) if the Moody's rating assigned to the Class A-1 Notes is greater than or equal to "B2" and the Fitch rating assigned to the Class A-1 Notes is greater than or equal to "B" but the Moody's rating assigned to the Class A-1 Notes is less than "Baa2" or the Fitch rating assigned to the Class A-1 Notes is less than "BBB", 1.60 per annum; or

(d) if the Moody's rating assigned to the Class A-1 Notes is less than or equal to "B3" or (ii) the Fitch rating assigned to the Class A-1 Notes is less than or equal to "B-", 3.00% per annum,

in each case, on an amount equal to the Available Commitment from time to time, provided that each reference in (a) through (d) above to the Class A-1 Notes shall be a reference to the Class A-2 Notes if the Class A-1 Notes are no longer Outstanding.

An accrued commitment fee is also payable to the Liquidity Facility Provider on the cancelled amount of the Commitment at and up to the time the cancellation takes effect. Accrued and unpaid commitment fee on the Available Commitment shall be payable by the Issuer in arrear on each Payment Date to the extent that there are sufficient Interest Proceeds and, if required, Principal Proceeds or the net proceeds of enforcement of the security over the Collateral, available for payment thereof in accordance with the Priorities of Payment or at any time in accordance with the provisions of the Liquidity Facility Agreement.

The rate of interest on each Initial Drawdown and Subsequent Drawdown for each interest period is the rate per annum determined by the Liquidity Facility Provider to be the aggregate of (a) the applicable Liquidity Facility Spread; and (b) EURIBOR for the relevant interest period. Accrued interest on any Liquidity Drawing shall be payable on the Liquidity Facility Redemption Date in respect of such Liquidity Drawing.

"**Liquidity Facility Spread**" means:

(a) (i) if the Moody's rating assigned to the Class A-1 Notes is greater than or equal to "Aa3" and (ii) the Fitch rating assigned to the Class A-1 Notes is greater than or equal to "AA-", 1.25% per annum; or

(b) if the Moody's rating assigned to the Class A-1 Notes is greater than or equal to "Baa2" and the Fitch rating assigned to the Class A-1 Notes is greater than or equal to "BBB" but the Moody's rating assigned to the Class A-1 Notes is less than "Aa3" or the Fitch rating assigned to the Class A-1 Notes is less than "AA-", 1.80% per annum; or

(c) if the Moody's rating assigned to the Class A-1 Notes is greater than or equal to "B2" and the Fitch rating assigned to the Class A-1 Notes is greater than or equal to "B" but the Moody's rating assigned to the Class A-1 Notes is less than "Baa2" or the Fitch rating assigned to the Class A-1 Notes is less than "BBB", 2.80 per annum; or

(d) (i) if the Moody's rating assigned to the Class A-1 Notes is less than or equal to "B3" or (ii) the Fitch rating assigned to the Class A-1 Notes is less than or equal to "B-", 6.50% per annum,

provided that each reference in (a) through (d) above to the Class A-1 Notes shall be a reference to the Class A-2 Notes if the Class A-1 Notes are no longer Outstanding.

The interest on the Prefunded Commitment payable in arrear on each Payment Date is the aggregate of the day to day interest applicable and the applicable commitment fee in each case earned on the amount of the Prefunded Commitment standing to the credit of the Prefunded Commitment Account (including interest on any Eligible Investments standing to the credit thereof) which is received by the Issuer.

Priority of Amounts Due to the Liquidity Facility Provider under the Liquidity Facility Agreement

Pursuant to the Interest Priority of Payments and/or the Principal Priority of Payments or the Post-Acceleration Priority of Payments, interest and commitment fees due and payable under the Liquidity Facility, together with the repayment of Liquidity Drawings will rank prior to all amounts payable in respect of the Notes. All other amounts payable under the Liquidity Facility such as expenses, increased costs and indemnification amounts will constitute Administrative Expenses and as such will be payable prior to payment of any amounts in respect of the Notes but only to the extent that such amounts do not exceed the Senior Expenses Cap applicable to the relevant Payment Date. All amounts payable in excess of such cap will be payable after payment of amongst other things (i) amounts payable in the event of an Effective Date Rating Event, (ii) amounts payable to the Principal Account for reinvestment or in redemption of the Notes upon breach of the Reinvestment Overcollateralisation Test and (iii) Trustee Fees and Expenses not paid by reason of the Senior Expenses Cap.

Cancellation

The Commitment may only be cancelled by the Liquidity Facility Provider (in whole or in part) if (i) the Issuer fails to pay any amount due under the Liquidity Facility Agreement on its due date provided that where any non-payment is a result of a technical problem, such failure continues for a period of three Business Days of its due date (unless the non-payment is due to there being insufficient funds available to the Issuer to make the payment pursuant to the allocation of funds in accordance with the Priorities of Payment); (ii) the Notes are accelerated in accordance with Condition 10(b) (*Acceleration*); (iii) if it becomes unlawful for the Issuer to perform any of its obligations under the Liquidity Facility Agreement; or (iv) the Issuer becomes subject to insolvency proceedings.

The Available Commitment (including any Prefunded Commitment) may be cancelled at the option of the Issuer in whole or in part at any time upon no less than five Business Days' notice from the Issuer (or the Collateral Manager on its behalf) to the Liquidity Facility Provider (copied to the Trustee, the Collateral Administrator and to the Rating Agencies), provided that a Rating Agency Confirmation is received from each of the Rating Agencies then rating the Rated Notes in respect thereof. No requests for Liquidity Drawings or, as the case may be, withdrawals from the Prefunded Commitment Account purporting to draw all or any part of the amount the subject of such notice of such cancellation may be made during such five Business Day notice period.

The Commitment may be cancelled in whole but not in part at the option of the Issuer without consent of any party at any time upon no less than five Business Days' notice from the Issuer (or the Collateral Manager on its behalf) to the Liquidity Facility Provider (copied to the Trustee, the Collateral Administrator and to the Rating Agencies) if, pursuant to the Liquidity Facility Agreement, the Issuer is required to pay any additional amounts to the Liquidity Facility Provider in respect of the Liquidity Facility Provider's tax liabilities or any amounts to the Liquidity Facility Provider in respect of the Liquidity Facility Provider's increased costs. No Rating Agency Confirmation shall be required in respect of such cancellation.

Cancellation Timing

Notwithstanding the delivery of any notice requesting a cancellation of the Commitment in accordance with the Liquidity Facility Agreement, no cancellation of the Commitment in whole pursuant thereto shall take effect until the next following Payment Date. Requests for Liquidity Drawings may continue to be made by, and Liquidity Drawings may continue to be paid to, the Issuer following delivery of any such notice provided that no Liquidity Drawings may be requested or made in respect of the Payment Date on which such cancellation is to take effect.

Assignment

The Liquidity Facility Provider may transfer its interest under the Liquidity Facility Agreement provided the transferee is a financial institution satisfying the Rating Requirement and a "professional

market party" for Dutch banking regulatory purposes, and the prior consent of the Issuer and the Trustee is obtained.

DESCRIPTION OF THE REPORTS

Terms used and not otherwise defined herein or in this Offering Circular as specifically referenced herein shall have the meaning given to them in Condition 1 (*Definitions*) of the Terms and Conditions.

Monthly Reports

The Collateral Administrator, not later than the tenth Business Day after the last Business Day of each month (save in respect of any month for which a Payment Date Report has been prepared) commencing in January 2014 on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile a monthly report (the "**Monthly Report**"), which shall contain, without limitation, the information set out below with respect to the Portfolio, determined by the Collateral Administrator as at the last Business Day of each month in consultation with the Collateral Manager and shall make each such Monthly Report available via a secured website currently located at https://tss.sfs.db.com/investpublic which shall be accessible to the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider, the Hedge Counterparties 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. For the purposes of the Reports, obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase, but which have not yet settled, shall be included as Collateral Obligations as if such purchase had been completed and obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations as if such sale had been completed.

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations and Eligible Investments representing Principal Proceeds;

(b) the Collateral Principal Amount of the Collateral Obligations;

(c) the Adjusted Collateral Principal Amount of the Collateral Obligations;

(d) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, its Principal Balance (in the case of Deferring Securities, both including and excluding capitalised or deferring interest), LoanX ID, CUSIP number, ISIN or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility, Collateral Obligation Stated Maturity, Obligor, the Domicile of the Obligor, currency, Moody's Recovery Rate, Moody's Rating, Fitch Rating, Fitch Recovery Rate and any other public rating (other than any confidential credit estimate), its Moody's industry category and Fitch industry category;

(e) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, whether such Collateral Obligation is a Secured Senior Obligation, Unsecured Senior Loan, Second Lien Loan, Mezzanine Obligation or High Yield Bond, Fixed Rate Collateral Obligation, Corporate Rescue Loan, PIK Security, Current Pay Obligation, Revolving Obligation, Delayed Drawdown Collateral Obligation, Bridge Loan, Discount Obligation, a Swapped Non-Discount Obligation or a Deferring Security;

(f) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Enhancement Obligation and Exchanged Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Collateral Obligation 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, the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Obligations, Collateral Enhancement Obligations or Exchanged Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition and the section in the Collateral Management and Administration Agreement pursuant to which such sale or other

disposition was made), the Aggregate Principal Balances of Collateral Obligations released for sale or other disposition at the Collateral Manager's discretion (expressed as a percentage of the Adjusted Collateral Principal Amount and measured at the date of determination of the last Monthly Report) and the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Collateral Manager;

(h) subject to any confidentiality obligations binding on the Issuer, the purchase or sale price of each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation acquired by the Issuer and in which the Issuer has granted a security interest to the Trustee, and each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation sold by the Issuer since the date of determination of the last Monthly Report and the identity of the purchasers or sellers thereof, if any, that are Affiliated with the Issuer or the Collateral Manager;

(i) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Defaulted Obligation or Deferring Security 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 CCC Obligation, Caa Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation 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 Collateral Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Collateral Manager has actual knowledge;

(l) the approximate Market Value of, respectively, the Collateral Obligations and the Collateral Enhancement Obligations as provided by the Collateral Manager;

(m) in respect of each Collateral Obligation, its Moody's Rating and Fitch 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;

(n) the Aggregate Principal Balance of Collateral Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record; and

(o) a commentary provided by the Collateral Manager with respect to the Portfolio.

Accounts

(a) the Balances standing to the credit of each of the Accounts; and

(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.

Liquidity Facility

(a) the principal amount of any drawing under the Liquidity Facility Agreement;

(b) the aggregate amount owing under the Liquidity Facility Agreement on the immediately preceding Payment Date; and

(c) the undrawn amount of the Liquidity Facility.

Hedge Transactions

(a) the name of the Hedge Counterparty;

(b) the outstanding notional amount of each Hedge Transaction and, in the case of an Interest Rate Hedge Transaction, the current rate of EURIBOR;

(c) the amount scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date;

(d) the then current Fitch rating and, if applicable, Moody's rating in respect of each Hedge Counterparty and whether such Hedge Counterparty satisfies the Rating Requirements; and

(e) the maturity date, the strike price and the underlying currency notional amount of each currency option, the upfront premium paid or payable by the Issuer thereunder and, in relation to each currency option exercised, the date of exercise, the spot foreign exchange rate at the time of exercise, the notional amount of the optional exercised, the aggregate notional amount of the option which remains unexercised and the aggregate premium received.

Coverage Tests and Collateral Quality Tests

(a) a statement as to whether each of the Class A Par Value Test, the Class B Par Value Test, the Class C Par Value Test and the Class D Par Value Test is satisfied and details of the relevant Par Value Ratios;

(b) a statement as to whether each of the Class A Interest Coverage Test, the Class B Interest Coverage Test, the Class C Interest Coverage Test and the Class D 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 Overcollateralisation Test is satisfied;

(d) a statement as to whether each of the Collateral Quality Tests is satisfied and the pass levels thereof;

(e) a statement identifying any Collateral Obligation in respect of which the Collateral Manager has made its own determination of "Market Value" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests.

Portfolio Profile Tests

(a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied, together with details of the result of the calculations required to be made in order to make such determination which details shall include the applicable numbers, levels and/or percentages resulting from such calculations;

(b) the identity and Fitch Rating and Moody's Rating of each Selling Institution, together with any changes in the identity of such entities since the date of determination of the last Monthly Report and details of the aggregate amount of Participations entered into with each such entity; and

(c) a statement as to whether the limits specified in the Bivariate Risk Table are met by reference to the Fitch Ratings and Moody's Ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non compliance.

Risk Retention

A copy of the written confirmation from the Collateral Sub-Manager that:

(i) it continues to hold an initial principal amount representing not less than 5 per cent. of each Class of Notes; and

(ii) it has not sold, hedged or otherwise mitigated its credit risk under or associated with the Retention Notes or the underlying portfolio of Collateral Obligations, except to the extent permitted in accordance with the Retention Requirements.

Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile a report not later than the Business Day preceding the related

Payment Date (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and shall make each such Payment Date Report available via a secured website currently located at https://tss.sfs.db.com/investpublic which shall be accessible to the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider, the Hedge Counterparties 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. Upon issue of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify the Irish Stock Exchange 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 Report shall contain the following information:

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the Collateral Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Obligations during such Due Period and (B) the disposal of any Collateral Obligations during such Due Period;

(b) subject to any confidentiality obligations binding on the Issuer, a list of, respectively, the Collateral Obligations and Collateral Enhancement Obligations indicating the Principal Balance and Obligor of each; and

(c) the information required pursuant to "*Monthly Reports — Portfolio*" above.

Notes

(a) the Principal Amount Outstanding of the Notes of each Class and such aggregate amount as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class at the beginning of the Accrual Period, the amount of principal payments to be made on the Notes of each Class on the related Payment Date, and the aggregate amount of the Notes of each Class Outstanding and such aggregate amount as a percentage of the original aggregate amount of the Notes of such Class Outstanding after giving effect to the principal payments, if any, on the next 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 A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E 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 and amounts paid pursuant to the Interest Priority of Payments, the Principal Priority of Payments and the Post-Acceleration Priority of Payments;

(b) the Trustee Fees and Expenses, the amount of any Collateral Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis; and

(c) any Defaulted Currency Hedge Termination Payments and Defaulted Interest Rate Hedge Termination Payments.

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 Payments on such Payment Date;

(f) the amounts payable from the Principal Account through a transfer to the Payment Account pursuant to the Priorities of Payments on such Payment Date;

(g) the amounts payable from any other Accounts (through a transfer to the Payment Account) pursuant to the Priorities of Payments on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;

(h) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period;

(i) 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;

(j) the Principal Proceeds received during the related Due Period;

(k) the Interest Proceeds received during the related Due Period; and

(l) the Collateral Enhancement Obligation Proceeds received during the related Due Period.

Coverage Tests, Collateral Quality Tests and Portfolio Profile Tests

(a) the information required pursuant to "*Monthly Reports—Coverage Tests and Collateral Quality Tests*" above; and

(b) the information required pursuant to "*Monthly Reports—Portfolio Profile Tests*" above.

Hedge Transactions

The information required pursuant to "*Monthly Reports—Hedge Transactions*" above.

Liquidity Facility

The information required pursuant to "*Monthly Reports—Liquidity Facility*" above.

Risk Retention

The information required pursuant to "*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, the Issuer, the Collateral Manager or the Collateral Sub-Manager will have any liability for estimates, approximations or projections contained therein.

Nothing in any of the foregoing shall oblige the Issuer or the Collateral Manager to disclose, whether directly or indirectly, any information held under an obligation of confidentiality.

Each Monthly Report and Payment Date Report will be made available via the Collateral Administrator's website currently located at https://tss.sfs.db.com/investpublic. It is not intended that

such Monthly Reports and Payment Date Reports will be made available in any other format, save in limited circumstances with the Collateral Administrator's agreement. The Collateral Administrator's website does not form part of the information provided for the purposes of this Offering Circular and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wishing to access such website may be required to certify that they are Noteholders or otherwise entitled to access such website.

In order for the Issuer to satisfy its obligation to make certain filings of information with the Dutch Central Bank, the Collateral Administrator will, upon request of the Issuer, use its reasonable endeavours to make available to the Issuer such other information relating to the Portfolio as the Issuer may reasonably request (following prior consultation with the Collateral Administrator) to the extent that such information is already in the possession of the Collateral Administrator by virtue of its acting as Collateral Administrator hereunder, and to the extent that the Collateral Administrator is legally permitted to provide such information to the Issuer. Such data shall be in such format (after consultation with the Issuer) as the systems of the Collateral Administrator are capable of producing.

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.

ALL PROSPECTIVE FUND INVESTORS SHOULD READ "UNITED STATES FEDERAL INCOME TAXATION—APPLICATION OF U.S. TAX REPORTING AND WITHHOLDING LAW" BELOW FOR A DISCUSSION OF POTENTIAL REPORTING OBLIGATIONS AND THE CONSEQUENCES (INCLUDING WITHHOLDING AND FORCED SALE OF INTERESTS) OF FAILING TO COMPLY WITH SUCH OBLIGATIONS.

POTENTIAL PURCHASERS ARE WHOLLY RESPONSIBLE FOR DETERMINING THEIR OWN TAX POSITION IN RESPECT OF THE NOTES. 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. Netherlands Taxation

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Offering Circular and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a holder of Notes, an individual holding Notes or an entity holding Notes, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Notes or otherwise being regarded as owning Notes for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "the Netherlands" or "Dutch" it refers only to the European part of the Kingdom of the Netherlands.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of Notes or Coupons.

Withholding Tax

All payments made by the Issuer of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

Residents

Resident entities

An entity holding Notes which is, or is deemed to be, resident in the Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates.

Resident individuals

An individual holding Notes who is, is deemed to be, or has elected to be treated as, resident in the Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from the Notes at rates up to 52 per cent. if:

(i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or

(ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding Notes will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Notes. The deemed return amounts 4 per cent. of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Notes). Subject to application of certain allowances, the deemed return will be taxed at a rate of 30 per cent.

Non-residents

A holder which is not, is not deemed to be, and - in case the holder is an individual - has not elected to be treated as, resident in the Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from the Notes unless:

(i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in the Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and the holder of Notes derives profits from such enterprise (other than by way of Notes); or

(ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

Gift and Inheritance Taxes

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of Notes by way of gift by, or on the death of, a holder of Notes, unless:

(i) such holder is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Value Added Tax

There is no Dutch value added tax payable by a holder of Notes in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes, or the transfer of Notes.

Other Taxes and Duties

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in the Netherlands by a holder of Notes in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of the Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

Residence

A holder of Notes will not be and will not be deemed to be resident in the Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of Notes or the execution, performance, delivery and/or enforcement of Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

On 10 April 2013 Luxembourg officially announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payment of interest (or similar income) as from this date.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

3. **United States Federal Income Taxation**

(a) **General**

This is a discussion of the principal U.S. federal income tax consequences of the acquisition, ownership, disposition, and retirement of the Notes.

Except as expressly set out below, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular holder based on such holder's particular circumstances, nor does it address any aspect of state, local, or non-U.S. tax laws or the possible application of U.S. federal gift or estate taxes. In particular, except as expressly set out below, this discussion does not address aspects of U.S. federal income taxation that may be applicable to holders that are subject to special treatment, including holders that:

(i) are broker-dealers, securities traders, insurance companies, tax-exempt organisations, financial institutions, real estate investment trusts, regulated investment companies or grantor trusts;

(ii) certain former citizens or long-term residents of the United States;

(iii) hold Notes as part of a "straddle," "hedge," "conversion," "integrated transaction" or "constructive sale" with other investments; or

(iv) own or are deemed to own 10 per cent. or more, by voting power or value, of the equity of the Issuer (including Subordinated Notes treated as equity for U.S. federal income tax purposes).

This discussion considers only holders that will hold Notes as capital assets and whose functional currency is the U.S. dollar. This discussion is generally limited to the tax consequences to initial holders that purchase Notes upon their initial issue at their initial issue price. In addition, the discussion of the intended characterisation of the Rated Notes below does not address the U.S. federal income tax consequences of a substitution of the Issuer pursuant to the Conditions, or any amendments to the Conditions or to the Trust Deed that may occur subsequent to the issuance of the Rated Notes. U.S. Holders are advised to consult their own tax advisors regarding the potential U.S. tax consequences of such any such changes.

For purposes of this discussion, "**U.S. Holder**," is defined as the beneficial owner of a Note who or which is:

(i) a citizen or resident of the United States;

(ii) a corporation created or organised under the laws of the United States or any political subdivision thereof or therein;

(iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or

(iv) a trust, (i) that validly elects to be treated as a U.S. person for U.S. federal income tax purposes; or (ii)(A) if a court within the U.S. is able to exercise primary supervision over the administration of the trust; and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust.

The term "**non-U.S. Holder**" means, for purposes of this discussion, a beneficial owner of the Notes that is not a U.S. Holder or a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes).

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds the Notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to its consequences.

This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), existing and proposed regulations thereunder, and current administrative rulings and court decisions, each as available and in effect as of the date hereof. All of the foregoing are subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion. Furthermore, there are no cases or rulings by the IRS addressing entities similar to the Issuer or securities similar to the Notes. As a result, the IRS might disagree with all or part of the discussion below. No rulings will be requested of the IRS regarding the issues discussed below or the U.S. federal income tax characterisation of the Notes.

Prospective Noteholders should consult their tax advisor concerning the application of U.S. federal income tax laws, as well as the laws of any state or local taxing jurisdiction, to their particular situation.

(b) **U.S. Internal Revenue Service Circular 230 Disclosure**

Pursuant to U.S. Internal Revenue Service Circular 230, we hereby inform you that the description set out herein with respect to U.S. federal tax issues was not intended or written to be used, and such description cannot be used, by any taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code. Such description was written in connection with the marketing of the Notes. Taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

(c) **United States Taxation of the Issuer**

The Issuer intends to conduct its affairs in a manner designed to prevent the Issuer from being treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes, and the remainder of this summary assumes that the Issuer will not be so treated. Prospective investors should be aware, however, that no opinion of counsel or 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, there can be no assurance that the IRS will agree. If the IRS were successfully to assert that the Issuer is engaged in a U.S. trade or business there could be material adverse financial consequences to the Issuer and to persons who hold the Notes. 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. In light of the intended activities of the Issuer, the remainder of this summary assumes that 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.

Each holder and beneficial owner of a Class E Note or a Subordinated Note that is not a "**United States person**" (as defined in Section 7701(a)(30) of the Code) will make, or by acquiring such Note or an interest therein will be deemed to make, a representation to the effect that, if it is acquiring more than 33-1/3 per cent. of the Principal Amount Outstanding of either the Class E Notes or the Subordinated Notes, either (i) it is not a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business (within the meaning of Section 881(c)(3)(A) of the Code), or (ii) it is a person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of U.S. source interest not attributable to a permanent establishment in the United States, and, in each case, it is not purchasing the Note in order to reduce its U.S federal income tax liability pursuant to a tax avoidance plan within the meaning of U.S. Treasury Regulation Section 1.881-3.

(d) **Characterisation of the Notes**

The Issuer has agreed and, by its acceptance of a Class A Note, a Class B Note, a Class C Note, a Class D Note or a Class E Note (together the "**Rated Notes**"), each holder will be deemed to have agreed, to treat the Rated Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. Upon the issuance of the Notes, Ashurst LLP will deliver an opinion generally to the effect that, assuming compliance with the Transaction Documents, and based on certain factual representations made by the Issuer and/or the Collateral Manager, the Class A Notes, the Class B Notes and the Class C Notes will, and the Class D Notes should, be characterised as debt of the Issuer for U.S. federal income tax purposes. No opinion will be given in respect of the Class E Notes. The determination of whether a Rated Note will be treated as debt for United States federal income tax purposes is based on the facts and circumstances existing at the time the Rated Note is issued. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterise as something other than indebtedness any particular Class or Classes of the Rated Notes. Except as discussed under "*—Alternative Characterisation of the Rated Notes*" below, the balance of this discussion assumes that the Rated Notes will be characterised as debt of the Issuer for U.S. federal income tax purposes. The Issuer intends to treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes. By acquiring an interest in a Subordinated Note, the holder will agree to treat such Subordinated Note as equity for U.S. federal income tax purposes. This summary assumes such treatment.

(e) **Interest on the Rated Notes**

A U.S. Holder of a Rated Note that uses the cash method of accounting must include in income the U.S. dollar value of Euro interest paid when received, unless the Rated Note is issued with OID as discussed below. Euro interest received is translated at the U.S. dollar spot rate of Euro on the date of receipt, regardless of whether the payment is converted into U.S. dollars on the date of receipt. A cash method U.S. Holder therefore generally will not have

foreign currency gain or loss on receipt of a Euro interest payment but may have foreign currency gain or loss upon disposing of the Euro received.

A U.S. Holder of a Rated Note that uses the accrual method of accounting or any U.S. Holder required to accrue original issue discount ("**OID**") will be required to include in income the U.S. dollar value of Euro interest accrued during the accrual period. An accrual basis U.S. Holder may determine the amount of income recognised with respect to such interest using either of two methods, in either case regardless of whether the payments are in fact converted into U.S. dollars on the date of receipt. Under the first method, the U.S. dollar value of accrued interest is translated at the average Euro rate for the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year). Under the second method, the U.S. Holder can elect to accrue interest at the Euro spot rate on the last day of an interest accrual period (or, in the case of an accrual period that spans two taxable years, at the exchange rate in effect on the last day of the partial period within the taxable year) or, if the last day of an interest accrual period is within five business days of the receipt of such interest, the spot rate on the date of receipt. An election to accrue interest at the spot rate generally will apply to all foreign currency denominated debt instruments held by the U.S. Holder, and is irrevocable without the consent of the IRS. U.S. Holders should consult their own tax advisors prior to making such an election. An accrual method U.S. Holder of a Rated Note or any U.S. Holder of a Rated Note that is issued with OID may recognise foreign currency gain or loss, as the case may be, on interest paid to the extent that the U.S. dollar/Euro exchange rate on the date the interest is received differs from the rate at which the interest income was accrued. Any exchange gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income, and will generally be treated as U.S. source income or loss. Regardless of the method used to accrue interest, a U.S. Holder may have additional foreign currency gain or loss upon a subsequent disposition of the Euro received.

For U.S. federal income tax purposes, OID is the excess of the "stated redemption price at maturity" of a debt instrument over its "issue price", if that excess equals or exceeds ¼ of 1 per cent. of the debt instrument's stated redemption price at maturity multiplied by the number of complete years from its issue date to its weighted average maturity in the case of the Rated Notes (the "**OID de minimis amount**"). The "stated redemption price at maturity" of a debt instrument such as the Rated Notes is the sum of all payments required to be made on the Rated Note other than "qualified stated interest" payments. The "issue price" of a Rated Note generally is the first offering price to the public at which a substantial amount of the debt instrument is sold. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer), or that is treated as constructively received, at least annually at a single fixed rate or, under certain conditions discussed below, at a variable rate.

Prospective U.S. Holders should note that interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes may be added to the aggregate principal amount of such Notes where non-payment of such interest results from a shortfall of Interest Proceeds and Principal Proceeds. Consequently, the Issuer intends to take the position that such interest is not unconditionally payable in cash or property at least annually and will not be treated as "qualified stated interest". Therefore, all of the stated interest payments on each of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, will be included in the stated redemption price at maturity of such Notes, and as a result each of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be treated as issued with OID.

If a U.S. Holder holds a Rated Note with OID (an "**OID Note**") such U.S. Holder may be required to include OID in income before receipt of the associated cash payment, regardless of the U.S. Holder's accounting method for tax purposes. If the U.S. Holder is an initial purchaser of an OID Note, the amount of the OID includible in income is the sum of the daily accruals of the OID for the Note for each day during the taxable year (or portion of the taxable year) in which such U.S. Holder held the OID Note. The daily portion is determined by allocating the OID for each day of the accrual period. An accrual period may be of any length and the accrual periods may even vary in length over the term of the OID Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day of an accrual period or on the final day of an accrual period. The

amount of OID allocable to an accrual period is equal to the difference between: (a) the product of the "adjusted issue price" of the OID Note at the beginning of the accrual period and its yield to maturity (computed generally on a constant yield method and compounded at the end of each accrual period, taking into account the length of the particular accrual period); and (b) the amount of any qualified stated interest allocable to the accrual period. The "adjusted issue price" of an OID Note at the beginning of any accrual period is the sum of the issue price of the OID Note plus the amount of OID allocable to all prior accrual periods reduced by any payments the U.S. Holder received on the OID Note that were not qualified stated interest. Under these rules, the U.S. Holder generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

Subject to the discussion below regarding the payment of interest on a semi-annual basis at a semi-annual interest rate during a Frequency Switch Period, each class of Rated Notes will be "variable rate debt instruments" if such class of Notes (a) has an issue price that does not exceed the total non-contingent principal payments on such Class of Notes by more than an amount equal to the lesser of: (i) 0.015 multiplied by the product of such total non-contingent principal payments and the number of complete years to maturity of such Class of Notes; and (ii) 15 per cent. of the total non-contingent principal payments on such Class of Notes; (b) provide for stated interest (compounded or paid at least annually) at the current value of one or more qualified floating rates, including the EURIBOR rate on such Class of Notes; and (c) does not provide for any principal payments that are contingent. The Rated Notes will qualify as variable rate debt instruments, provided the issue price is not more than 115,000 Euros per 100,000 Euro principal amount. Interest payments on certain "variable rate debt instruments" may be considered qualified stated interest. Although unclear, the Issuer intends to take the position that the possibility of payment of interest on a semi-annual basis at a semi-annual interest rate during a Frequency Switch Period does not affect the determination of whether a Rated Notes is a CPDI (as defined below) or is issued with OID. Investors should consult with their own tax advisors with respect to the potential affect on the taxation of the Notes of the possibility of payment of interest on a semi-annual basis.

If a debt instrument that provides for a variable rate of interest does not qualify as a variable rate debt instrument, the debt instrument will be treated as a contingent payment debt instrument (a "**CPDI**"). Thus, if any class of the Rated Notes does not qualify as a variable rate debt instrument, a U.S. Holder would be required to report income in respect of such Notes in accordance with the U.S. Treasury Regulations on CPDIs. The CPDI rules are complex and investors should consult with their own tax advisors with respect to the potential taxation of the Notes under the CPDI rules.

The Rated Notes may be debt instruments described in Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules principally relating to the accrual of OID, market discount, and bond premium apply to debt instruments described in Section 1272(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Treasury Regulation Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6).

Because the OID rules are complex, each U.S. Holder of an OID Note should consult with its own tax advisor regarding the acquisition, ownership, and disposition of such Note.

Interest on the Notes received by a U.S. Holder will generally be treated as foreign source "passive income" for U.S. foreign tax credit purposes, or, in certain cases, "general category income".

(f) **Sale, Exchange, Redemption or Repayment of the Rated Notes**

Unless a non-recognition provision applies (and subject to the "Investment in a Passive Foreign Investment Company", "Investment in a Controlled Foreign Corporation" and "Disposition of the Subordinated Notes" discussions below which are relevant for holders of any Class of Notes treated as equity for U.S. Federal income tax purposes), a U.S. Holder generally will recognise gain or loss on the sale, exchange, repayment or other disposition of a

Rated Note equal to the difference between the amount realised plus the fair market value of any property received on the disposition (other than amounts attributable to accrued but unpaid interest) and the U.S. Holder's adjusted tax basis in such Note.

The amount realised on the sale, exchange, redemption or repayment of a Rated Note generally is determined by translating the Euro proceeds into U.S. dollars at the spot rate on the date the Rated Note is disposed of, while a U.S. Holder's adjusted tax basis in a Rated Note generally will be the cost of the Rated Note to the U.S. Holder, determined by translating the Euro purchase price into U.S. dollars at the spot rate on the date the Rated Note was purchased, and increased by the amount of any OID accrued and reduced by any payments other than payments of qualified stated interest of such Note. If, however, the Rated Notes are traded on an established securities market, a cash basis U.S. Holder or electing accrual basis U.S. Holder will determine the amount realised on the settlement date. An election by an accrual basis U.S. Holder to apply the spot exchange rate on the settlement date will be subject to the rules regarding currency translation elections described above, and cannot be changed without the consent of the IRS. The amount of foreign currency gain or loss realised with respect to accrued but unpaid interest is the difference between the U.S. Dollar value of the interest based on the spot exchange rate on the date the Rated Notes are disposed of and the U.S. Dollar value at which the interest was previously accrued. A U.S. Holder will have a tax basis in Euro received on the sale, exchange or retirement of a Rated Note equal to the U.S. dollar value of the Euro on the relevant date. Foreign currency gain or loss on a sale, exchange, redemption or repayment of a Rated Note is recognised only to the extent of total gain or loss on the transaction. See also "*Net Investment Tax*" below for the application of the 3.8 per cent. Medicare tax to the purchase of the Notes.

Foreign currency gain or loss recognised by a U.S. Holder on the sale, exchange or other disposition of a Rated Note (including repayment at maturity) generally will be treated as ordinary income or loss. Gain or loss in excess of foreign currency gain or loss on a Rated Note generally will be treated as capital gain or loss. The deductibility of capital losses is subject to limitations. In the case of a non-corporate U.S. Holder, preferential rates may apply to any capital gain if such U.S. Holder's holding period for such Rated Notes exceeds one year.

(g) **Alternative Characterisation of the Rated Notes**

It is possible that the IRS may contend that any Class of Rated Notes, particularly the Class E Notes, should be treated in whole or in part as equity interests in the Issuer. Such a recharacterisation might result in material adverse U.S. federal income tax consequences to U.S. Holders. If U.S. Holders of one or more Classes of the Rated Notes were treated as owning equity interests in the Issuer, the U.S. federal income tax consequences to those U.S. Holders would be as described under "*Tax Treatment of U.S. Holders of Subordinated Notes*" and "*Transfer and Other Reporting Requirements.*"

(h) **Tax Treatment of U.S. Holders of Subordinated Notes**

As noted above, the Issuer intends to treat the Subordinated Notes as equity for U.S. federal income tax purposes. This summary assumes that the Subordinated Notes will be treated as equity rather than debt for U.S. federal income tax purposes.

Distributions on the Subordinated Notes

Subject to the anti-deferral rules discussed below, any payment on the Subordinated Notes that is distributed by the Issuer to a U.S. Holder that is subject to United States federal income tax will be taxable to that U.S. Holder as a dividend to the extent of the current and accumulated earnings and profits (determined under U.S. federal income tax principles) of the Issuer. Such payments will not be eligible for the dividends received deduction generally allowable to corporations and will not be eligible for the preferential income tax rate on qualified dividend income. Distributions in excess of earnings and profits will be non-taxable to the extent of, and will be applied against and reduce, the U.S. Holder's adjusted tax basis in the Subordinated Notes. Distributions in excess of earnings and profits and basis will be taxable as gain from the sale or exchange of property, as described below. The amount of such income is

determined by translating Euros received into U.S. dollars at the spot rate on the date of receipt. A U.S. Holder may realise foreign currency gain or loss on a subsequent disposition of the Euros received.

Distributions on the Subordinated Notes received by certain individuals, estates and trusts may be includible in "net investment income" for purposes of the 3.8 per cent., Net Investment Tax under recently released proposed regulations. Under proposed regulations, QEF and Subpart F inclusions (discussed below) in respect of the Subordinated Notes will not (absent an election) be includible in "net investment income" subject to such tax, but actual distributions with respect to prior inclusions will generally be subject to such tax. See "*Net Investment Tax*" below.

(i) **Investment in a Passive Foreign Investment Company**

A foreign corporation will be classified as a Passive Foreign Investment Company (a "**PFIC**") for U.S. federal income tax purposes if 75 per cent. or more of its gross income (including the *pro rata* share of the gross income of any corporation in which the Issuer is considered to own 25 per cent. or more of the shares by value) in a taxable year is passive income. Alternatively, a foreign corporation will be classified as a PFIC if at least 50 per cent. of its assets, averaged over the year and generally determined based on fair market value (including the *pro rata* share of the assets of any corporation in which the Issuer is considered to own 25 per cent. or more of the shares by value) are held for the production of, or produce, passive income.

Based on the assets that the Issuer expects to hold and the income anticipated thereon, it is highly likely that the Issuer will be classified as a PFIC for U.S. federal income tax purposes. Accordingly, the following discussion assumes that the Issuer will be a PFIC throughout the term of the Subordinated Notes, and U.S. Holders of Subordinated Notes should assume that they will be subject to the U.S. federal income tax consequences described below that result from owning stock in a PFIC (subject to the discussion below under "*Investment in a Controlled Foreign Corporation*").

If the PFIC rules are applicable, then unless a U.S. Holder elects to treat the Issuer as a "qualified electing fund" (as described in the next paragraph), upon certain distributions ("excess distributions") by the Issuer and upon a disposition of the Subordinated Notes at a gain, the U.S. Holder will be liable to pay tax at the highest tax rate on ordinary income in effect for each period to which the income is allocated plus interest on the tax, as if such distributions and gain had been recognised rateably over the U.S. Holder's holding period for the Subordinated Notes. An interest charge is also applied to the deferred tax amount resulting from the deemed rateable distribution.

If a U.S. Holder elects to treat the Issuer as a "qualified electing fund" (a "**QEF**"), distributions and gain will not be taxed as if recognised rateably over the U.S. Holder's holding period or subject to an interest charge. Instead, a U.S. Holder that makes a QEF election is required for each taxable year to include in income the U.S. Holder's *pro rata* share of the ordinary earnings of the qualified electing fund as ordinary income and a *pro rata* share of the net capital gain of the qualified electing fund as capital gain, regardless of whether such earnings or gain have in fact been distributed (assuming the discussion below under "*Investment in a Controlled Foreign Corporation*" does not apply), and subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. Consequently, in order to comply with the requirements of a QEF election, a U.S. Holder must receive from the Issuer certain information ("**QEF Information**"). The Issuer will cause its independent accountants to provide U.S. Holders of the Subordinated Notes, upon request by such U.S. Holder and at the U.S. Holder's expense, with the information reasonably available to the Issuer that a U.S. Holder would need to make a QEF election. Except as expressly noted, the discussion below assumes that a QEF election will not be made. The cost charged to the U.S. Holder by the Issuer for providing the information may be significant.

As a result of the nature of the Collateral Obligations that the Issuer intends to hold, the Issuer may hold investments treated as equity of non-United States corporations that are PFICs. In such a case, assuming that the Issuer is a PFIC, a U.S. Holder would be treated as owning its *pro rata* share of the stock of the PFIC owned by the Issuer. Such a U.S. Holder would be

subject to the rules generally applicable to shareholders of PFICs discussed above with respect to distributions received by the Issuer from such a PFIC and dispositions by the Issuer of the stock of such a PFIC (even though the U.S. Holder may not have received the proceeds of such distribution or disposition). Assuming the Issuer receives the necessary information from the PFIC in which it owns stock, certain U.S. Holders may make the QEF election discussed above with respect to the stock of the PFIC owned by the Issuer. However, no assurance can be given that the Issuer will be able to provide U.S. Holders with such information. If the Issuer is a PFIC, each U.S. Holder of a Subordinated Note must make an annual return on IRS Form 8621, reporting distributions received and gains realised with respect to each PFIC in which the U.S. Holder holds a direct or indirect interest. Prospective purchasers should consult their tax advisors regarding the potential application of the PFIC rules. Special rules apply to certain regulated investment companies that own interests in PFICs and any such investor should consult with its own tax advisors regarding the consequences to it of acquiring Subordinated Notes. Pursuant to recently enacted legislation, each U.S. Holder who is a shareholder of a PFIC is required to file an annual report containing such information as the IRS may require in the revised Form 8621. Until the IRS releases the revised Form 8621, this additional reporting requirement is suspended (although a U.S. Holder that is currently otherwise required to file Form 8621 (e.g., a U.S. Holder that makes a QEF election with respect to the PFIC, receives a distribution with respect to the PFIC or makes an actual or deemed disposition of PFIC stock) must continue to file the current Form 8621). However, following the release of the revised Form 8621, U.S. Holders for which the filing of Form 8621 has been suspended for a taxable year will be required to attach Form 8621 for each suspended taxable year to their next income tax or information return required to be filed with the IRS. Additionally, in the event a U.S. Holder does not file Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close before the date which is three years after the date on which such report is filed. Prospective investors should consult their own tax advisors regarding the potential application of the PFIC rules.

(j) **Investment in a Controlled Foreign Corporation**

Depending on the degree of ownership of the Subordinated Notes and other equity interests in the Issuer by U.S. Holders and whether the Subordinated Notes are treated as voting securities, the Issuer may constitute a controlled foreign corporation ("**CFC**"). In general, a foreign corporation will constitute a CFC if more than 50 per cent. of the shares of the corporation, measured by reference to combined voting power or value, are owned, directly or indirectly, by "**U.S. 10 per cent. Shareholders**". A "**U.S. 10 per cent. Shareholder**", for this purpose, is any U.S. person that possesses 10 per cent. or more of the combined voting power of all classes of shares of a corporation. It is possible that the IRS may assert that the Subordinated Notes should be treated as voting securities, and consequently that the U.S. Holders owning Subordinated Notes so treated, or any combination of such Subordinated Notes and other voting securities of the Issuer, that constitute 10 per cent. or more of the combined voting power of all classes of shares of the Issuer are "U.S. 10 per cent. Shareholders" and that, assuming more than 50 per cent. of the Subordinated Notes and other voting securities of the Issuer are held by such U.S. 10 per cent. Shareholders, the Issuer is a CFC.

If the Issuer were treated as a CFC, a U.S. 10 per cent. Shareholder of the Issuer would be treated, subject to certain exceptions, as receiving a dividend at the end of the taxable year of the Issuer in an amount equal to that person's *pro rata* share of the "subpart F income" and investments in U.S. property of the Issuer. 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 to constitute a CFC, predominantly all of its income would be subpart F income. In addition, special rules apply to determine the appropriate exchange rate to be used to translate such amounts treated as a dividend and the amount of any foreign currency gain or loss with respect to distributions of previously taxed amounts attributable to movements in exchange rates between the times of deemed and actual distributions and certain "dividends" from such CFC could be recharacterised as U.S. source income for U.S. foreign tax credit purposes. Unless otherwise noted, the discussion below assumes that the Issuer is not a CFC. U.S. Holders should consult their tax advisors regarding these special rules.

If the Issuer were to constitute a CFC, for the period during which a U.S. Holder of Subordinated Notes is a U.S. 10 per cent. Shareholder of the Issuer, such Holder generally would be taxable on the subpart F income and investments in U.S. property of the Issuer under rules described in the preceding paragraph and not under the PFIC rules previously described. A U.S. Holder that is a U.S. 10 per cent. Shareholder of the Issuer subject to the CFC rules for only a portion of the time during which it holds Subordinated Notes should consult its own tax advisor regarding the interaction of the PFIC and CFC rules.

(k) **Disposition of the Subordinated Notes**

In general, a U.S. Holder of a Subordinated Note will recognise gain or loss upon the sale or exchange of the Subordinated Note equal to the difference between the amount realised and such Holder's adjusted tax basis in such Subordinated Note. Initially, the tax basis of a U.S. Holder should equal the amount paid for a Subordinated Note. Such basis will be increased by amounts taxable to such Holder by virtue of the QEF or CFC rules (if applicable), and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a non-taxable return of capital. A U.S. Holder that receives foreign currency upon the sale or other disposition of the Subordinated Notes generally will realise an amount equal to the U.S. Dollar value of the foreign currency on the date of sale. A U.S. Holder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount realised. Any gain or loss realised by a U.S. Holder on a subsequent conversion of the foreign currency for a different amount will be foreign currency gain or loss. If, however, the Subordinated Notes are traded on an established securities market, a cash basis U.S. Holder or electing accrual basis U.S. Holder will determine the amount realised on the settlement date.

Unless a QEF election is made, it is highly likely that any gain realised on the sale or exchange of a Subordinated Note will be treated as an excess distribution and taxed as ordinary income under the special tax rules described above (assuming that the PFIC rules apply and not the CFC rules).

In general, if the Issuer were treated as a CFC and a U.S. Holder were treated as a U.S. 10 per cent. Shareholder therein, then any gain realized by such Holder upon the disposition of Subordinated Notes would be treated as ordinary income to the extent of the U.S. Holder's pro rata share of current and accumulated earnings and profits of the Issuer and any of its subsidiaries. In this respect, earnings and profits would not include any amounts previously taxed pursuant to the CFC rules. U.S. individuals that have held their stock for more than one year may be entitled to reduce the amount otherwise characterised as ordinary income.

(l) **Foreign Currency Gain or Loss**

A U.S. Holder of Subordinated Notes (or other Notes treated as equity interests in the Issuer) that recognises income from the Notes under the QEF or CFC rules discussed above will recognise foreign currency gain or loss attributable to movement in foreign exchange rates between the date when it recognised income under those rules and the date when the income actually is distributed. Any such foreign currency gain or loss will be treated as ordinary income or loss from the same source as the associated income inclusion.

A U.S. Holder that purchases Notes with previously owned foreign currency generally will recognise foreign currency gain or loss in an amount equal to any difference between the U.S. Holder's tax basis in the foreign currency and the U.S. dollar value of the foreign currency at the spot rate on the date the Notes are purchased. A U.S. Holder that receives foreign currency upon the sale or other disposition of the Notes generally will realise an amount equal to the U.S. dollar value of the foreign currency on the date of sale. A U.S. Holder will have a tax basis in the foreign currency received equal to the U.S. dollar amount realised. Any gain or loss realised by a U.S. Holder on a subsequent conversion of the foreign currency for a different amount will be foreign currency gain or loss.

As a result of the uncertainty regarding the U.S. federal income tax consequences to U.S. Holders with respect to the Notes and the complexity of the foregoing rules, each U.S. Holder of a Note is urged to consult its own tax advisor regarding the U.S. federal income tax consequences to the Holder of the purchase, ownership and disposition of the Note.

(m) **Net Investment Tax**

U.S. Holders that are individuals, estates, and certain trusts will be subject to an additional 3.8 per cent. tax (the "**3.8 per cent. Net Investment Tax**") on all or a portion of their "net investment income" which may include any income or gain with respect to the Notes. The 3.8 per cent. Net Investment Tax will be imposed on the lesser of (i) net investment income (undistributed net investment income for estates and trusts) and (ii) the excess of modified adjusted gross income (adjusted gross income for estates and trusts) and the applicable threshold amount. The threshold amount is $250,000 for a married taxpayer filing a joint return (or a surviving spouse), $125,000 for a married individual filing a separate return, the dollar amount at which the highest bracket begins for estates and trusts, and $200,000 in any other case. Under proposed regulations, equity holders of PFICs and CFCs would be subject to such tax, although the application of the tax (and the availability of particular elections) is quite complex. U.S. Holders should consult their advisors with respect to the consequences (and advisability of available elections) with respect to the 3.8 per cent. Net Investment Tax.

(n) **Transfer and Other Reporting Requirements**

In general, U.S. Holders who acquire any Subordinated Notes (or any Class of Notes that is recharacterised as equity in the Issuer) for cash may be required to file a Form 926 with the IRS and to supply certain additional information to the IRS if (i) such U.S. Holder owns (directly or indirectly) immediately after the transfer, at least 10 per cent. by vote or value of the Issuer or (ii) the transfer when aggregated with all related transfers under applicable regulations, exceeds U.S.$100,000. In the event a U.S. Holder that is required to file fails to file such form, that U.S. Holder could be subject to a penalty of up to U.S.$100,000 (computed as 10 per cent. of the gross amount paid for the Subordinated Notes) or more if the failure to file was due to intentional disregard of its obligation.

In addition, a U.S. Holder of Subordinated Notes (or any Class of Notes that is recharacterised as equity in the Issuer) that owns (actually or constructively) at least 10 per cent. by vote or value of the Issuer (and each officer or director of the Issuer that is a U.S. citizen or resident) may be required to file an information return on IRS Form 5471. A U.S. Holder of Subordinated Notes generally is required to provide additional information regarding the Issuer annually on IRS Form 5471 if it owns (actually or constructively) more than 50 per cent. by vote or value of the Issuer. U.S. Holders should consult their own tax advisors regarding whether they are required to file IRS Form 5471. In the event a U.S. Holder that is required to file such form fails to file such form, the U.S. Holder could be subject to a penalty of U.S.$10,000 for each such failure to file (in addition to other consequences).

Prospective investors in the Subordinated Notes (or any Class of Notes or other interest that could be recharacterised as equity in the Issuer) should consult with their own tax advisors regarding whether they are required to file IRS Form 8886 in respect of this transaction. Such filing generally will be required if such investors file U.S. federal income tax returns or U.S. federal information returns and recognise losses in excess of a specified threshold, and significant penalties may be imposed on taxpayers that fail to file the form timely. Such filing will also generally be required by a U.S. Holder of the Subordinated Notes if the Issuer both participates in certain types of transactions that are treated as "reportable transactions," such as a transaction in which its loss exceeds a specified threshold, and either (x) such U.S. Holder owns 10 per cent. or more of the aggregate amount of the Subordinated Notes and makes a QEF Election with respect to the Issuer or (y) the Issuer is treated as a CFC and such U.S. Holder is a "U.S. 10 per cent. Shareholder" (as defined above) of the Issuer. If the Issuer does participate in a reportable transaction, it will make reasonable efforts to make such information available. Significant penalties may be imposed on taxpayers required to file Form 8886 that fail to do so timely.

A U.S. Holder that is an individual and holds certain foreign financial assets must file new IRS Form 8938 to report the ownership of such assets if the total value of those assets exceeds the applicable threshold amounts. The threshold varies depending on whether the individual lives in the United States or files a joint income tax return with a spouse. For example, an unmarried U.S. Holder living in the United States is required to file Form 8938 if the total value of all specified foreign financial assets is more than U.S.$50,000 on the last day of the

tax year or more than U.S.$75,000 at any time during the tax year. U.S. Holders in other situations have the same or greater thresholds. In general, specified foreign financial assets include debt or equity interests (that are not regularly traded on an established securities market) issued by foreign financial institutions (such as the Issuer), and any interest in a foreign entity that is not a financial institution, including any stock or security, and any financial instrument or contract held for investment that has an issuer or counterparty that is not a U.S. person. Proposed regulations also would require certain domestic entities that are formed, or availed of, for purposes of holding, directly or indirectly, specified foreign financial assets to file IRS Form 8938. In addition, certain non-resident alien individuals may be required to file Form 8938, notwithstanding the availability of any special treatment under an income tax treaty. However, in general, such form is not required to be filed with respect to the Notes if they are held through a U.S. payer, such as a U.S. financial institution, a U.S. branch of a non-U.S. bank, and certain non-U.S. branches or subsidiaries of U.S. financial institutions.

Taxpayers who fail to make the required disclosure with respect to any taxable year are subject to a penalty of U.S.$10,000 for such taxable year, which may be increased up to U.S.$50,000 for a continuing failure to file the form after being notified by the IRS. In addition, the failure to file Form 8938 will extend the statute of limitations for a taxpayer's entire related income tax return (and not just the portion of the return that relates to the omission) until at least three years after the date on which the Form 8938 is filed. All U.S. Holders are urged to consult with their own tax advisors with respect to whether a Note is a foreign financial asset that (if the applicable threshold were met) would be subject to this rule.

U.S. Holders that own directly or indirectly more than 50% of the Subordinated Notes (or any other Class of Notes recharacterised as equity in the Issuer) should consider their possible obligation to file a form TD F 90-22.1 – "Foreign Bank and Financial Accounts Report". Holders should consult their tax advisers with respect to this possible reporting requirement.

Prospective investors in the Notes should consult their own tax advisors concerning any possible disclosure obligations with respect to their ownership or disposition of the Notes in light of their particular circumstances.

(o) **Tax Treatment of Non-U.S. Holders of Notes**

Subject to the discussions below under "*Information Reporting and Backup Withholding Tax*" and "*Application of U.S. Tax Reporting and Withholding Law*", payments, including interest, OID and any amounts treated as dividends, on a Note to a non-U.S. Holder and gain realised on the sale, exchange or retirement of a Note by a non-U.S. Holder, will not be subject to U.S. federal income or withholding tax, unless (a) such income is effectively connected with a trade or business conducted by such non-U.S. Holder in the United States; or (b) in the case of federal income tax imposed on gain, such non-U.S. Holder is a non resident alien individual who holds a Note as a capital asset and is present in the United States for 183 days or more in the taxable year of sale and certain other conditions are satisfied.

(p) **Additional Notes**

Noteholders should be aware that additional Notes that are treated for non-tax purposes as a single series with the original Notes may be treated as a separate series for U.S. federal income tax purposes.

Whether any new notes would be fungible for U.S. federal income tax purposes with the Notes issued on the Issue Date would depend on whether the issuance of such new notes would be treated as a "qualified reopening" within the meaning of U.S. Treasury regulations. This determination will depend on facts that cannot be determined at this time, possibly including the date on which such issuance occurs, the yield of the outstanding Notes at that time (based on their fair market value) and whether any outstanding Notes are publicly traded or quoted at that time (which will depend, in part, on whether the outstanding stated principal amount of the Outstanding Notes exceeds $100 million and whether the new Notes are treated as debt for U.S. federal income tax purposes). In addition, potential investors should note that Notes issued after 30 June 2014 which are expressed to be consolidated and form a single series with

previously issued Notes may not be treated as a qualified reopening and, thus, may not be grandfathered under FATCA, even if the previously issued Notes originally were grandfathered under FATCA (such Notes, "**Grandfathered Notes**"). Finally, the issuance of Notes after 30 June 2014 which are expressed to be consolidated and form a single series with Notes that otherwise qualify as Grandfathered Notes should not, as a legal matter, affect the grandfathering status of the previously Grandfathered Notes. However, potential investors in the Notes should be aware that, as a practical matter, it may not be possible for a paying agent or an Intermediary to differentiate between Grandfathered Notes and non-Grandfathered Notes of the same series held in a securities account and that no Note in the series may be treated by the paying agent or Intermediary as Grandfathered Notes. In light of this, a paying agent or Intermediary may withhold on payments in respect of a Grandfathered Note.

(q) **Information Reporting and Backup Withholding Tax**

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. Noteholders 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.

(r) **Application of U.S. Tax Reporting and Withholding Law**

It is possible that FATCA could compel the Issuer to subject the Notes held by some Noteholders to a forced sale. It is also possible that FATCA could impose a withholding tax of up to 30 per cent. on payments, including principal, made to Recalcitrant Noteholders and non-participating FFIs (each defined below), depending on the particular circumstances of the Issuer, the Notes, and the Noteholders and beneficial owners thereof. Further, there could also be, as of 1 July 2014, withholding of up to 30 per cent. on certain payments to the Issuer.

This withholding tax (which may not be refundable) does not apply to Grandfathered Obligations or if the Issuer enters into its own IRS Agreement. There is no assurance that the Issuer will enter into such an agreement. This withholding tax will also not apply to the Issuer if it is resident in a jurisdiction that enters into an agreement with the U.S. (a "**Partner Country Agreement**") in which such jurisdiction (a "**Partner Country**") agrees to (and subsequently does) enact legislation ("**Partner Country FATCA Legislation**") in furtherance of FATCA. In the event that the Issuer is resident in a Partner Country, it will then be subject to modified FATCA requirements. As the Issuer is incorporated in The Netherlands, one of the jurisdictions which has indicated that it intends to enter into a Partner Country Agreement, it is anticipated that it will be subject to the future FATCA-related laws of The Netherlands. As those laws have not yet even been drafted, it is unclear whether the Issuer will comply (or be compelled to comply) with such laws. In the event that The Netherlands does not enact such FATCA-related laws or, if enacted, that the Issuer fails to comply with such laws, the

Issuer will be required to enter into an IRS Agreement in order to avoid the new withholding taxes described above.

FATCA is particularly complex, and is dependent on the particular factual circumstances of the Issuer, the Notes and the Noteholders. Broadly, however, FATCA (including any analogous non-U.S. laws enacted in furtherance of FATCA) will require the Issuer or an authorised agent acting on behalf of the Issuer (and any agent or broker through which a Noteholder purchases its Notes, or any nominee or other entity through which a Noteholder holds its Notes (any such agent, broker, nominee or other entity, an "**Intermediary**")) to provide certain information to a taxing authority about the Noteholders.

If necessary, the Issuer intends to enter into an agreement with the IRS (an "**IRS Agreement**") and the Issuer expects to require (and that an Intermediary will require) the Noteholder to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or an Intermediary) to identify and report on the Noteholder and certain of the Noteholder's direct and indirect U.S. beneficial owners. Further, the Noteholder will be required to permit the Issuer to share such information with any taxing authority. Although certain exceptions to these disclosure requirements could apply, each Noteholder should assume that the failure to provide the required information generally will compel the Issuer (or an Intermediary) to force the sale of the Noteholder's Notes (and such sale could be for less than its then fair market value).

In addition, subject to exceptions, if the Noteholder is a "foreign financial institution" or "**FFI**" as defined under FATCA that does not enter into an IRS Agreement (such an FFI, a "**non-participating FFI**") or if a Noteholder does not comply with the Issuer's request for information or a waiver of law prohibiting the disclosure of such information to a taxing authority, (such a Noteholder, a "**Recalcitrant Noteholder**") the Issuer may be required to withhold up to 30 per cent. on certain payments made to the Noteholder.

If any withholding is imposed pursuant to FATCA on payments to a Recalcitrant Noteholder or a non-participating FFI, the Issuer is under no obligation to gross up such payments.

Further, the Issuer could be subject to a 30 per cent. withholding tax if it fails to enter into an (or is in violation of its) IRS Agreement. If the Issuer is unable to enter into an IRS Agreement (or the agreement is voided for non-compliance), such decision could preclude certain of its FFI affiliates from entering into such an agreement. In addition, if an FFI affiliate of the Issuer is not FATCA compliant (i.e., it fails to comply with, and is not exempted from complying with, FATCA), the Issuer itself may be prohibited from complying with FATCA. For this purpose an FFI affiliate generally is an FFI that is deemed to be part of an affiliated group that includes the Issuer (where, in general, such affiliates and the Issuer are deemed related through more than 50 per cent. ownership). For example, if an FFI owns (for US federal income tax purposes) more than 50 per cent. of the Issuer's equity and such FFI equity owner is not FATCA compliant, the Issuer may be prevented from complying with FATCA. Furthermore, if an entity is deemed (for US federal income tax purposes) to own more than 50 per cent. of the equity of both (i) the Issuer and (ii) another FFI, such other FFI may be treated as an FFI affiliate of the Issuer for this purpose and, thus, if such other FFI is not FATCA compliant, the Issuer may be prevented from complying with FATCA. The Issuer will require any person holding more than 50 per cent. of the Issuer's equity to represent that it and its FFI affiliates are FATCA compliant. In addition, the Issuer may force the sale of all or a portion of the equity held by such a person if such holder is an FFI affiliate of the Issuer that is preventing the Issuer from complying with FATCA. For these purposes, the Issuer shall have the right to sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA.

If a non-U.S. law prohibits the Noteholder from providing the information requested by the Issuer (or the Issuer from providing such information to the IRS) as described above, the Noteholder generally must execute a waiver of this non-U.S. law (and then provide (or permit the Issuer to provide) such information) or dispose of the Notes (or otherwise have the Issuer cause the disposal of the Notes) within a reasonable period of time. In addition, in complying with the reporting requirements under FATCA, it may, as described above, be necessary for the Issuer to agree in the IRS Agreement to "close out" any Noteholder (and not just a

Noteholder that fails to obtain the foreign law waiver described above) that fails to respond to its reasonable requests for information that will enable the Issuer to comply with such U.S. reporting requirements or any Noteholder that is a non-participating FFI. If the Issuer does "close out" any Noteholder's interest, it may do so by causing the sale of such Notes.

The full extent of FATCA's application to the Issuer (or an Intermediary) is currently uncertain. No assurance can be given that the Issuer (or an Intermediary) will be able to take all necessary actions or that actions taken will be successful to minimize the impact of FATCA. Further, the efficacy of the Issuer's (or an Intermediary's) actions might not be within the control of the Issuer (or an Intermediary) and, for example, may depend on the actions of the Noteholder (and each foreign withholding agent (if any) in the chain of custody). Each potential purchaser of Notes should consult its own tax advisor about how FATCA might affect such prospective Noteholder in its particular circumstance.

In addition, the United States has recently concluded several intergovernmental agreements ("**IGAs**") with other jurisdictions in respect of FATCA. If The Netherlands enters into an IGA with the United States, the Issuer may not be required to enter into an agreement with the IRS but may, instead, be required to comply with legislation enacted by The Netherlands that would be implemented to give effect to such IGA. In that event, the Issuer would be subject to modified FATCA requirements.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR SHAREHOLDER. EACH PROSPECTIVE SHAREHOLDER IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SHARES UNDER THE SHAREHOLDER'S OWN CIRCUMSTANCES.

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on "**employee benefit plans**" subject thereto including entities (such as collective investment funds, insurance company separate accounts and some insurance company general accounts) the underlying assets of which 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 requirement of prudence, diversification, and that investments be made in accordance with the documents governing the 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.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of 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, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as "**parties in interest**" under ERISA or "**disqualified persons**" under the Code (collectively, "**Parties in Interest**")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and certain non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to substantially similar rules under federal, state, local or non-U.S. laws, and may be subject to the prohibited transaction rules of Section 503 of the Code.

Under ERISA and 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 Asset 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 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 it is established (a) that the entity is an "**operating company,**" as that term is defined in the Plan Asset Regulation, or (b) that less than 25 per cent. of the total value of each class of equity interest in the entity, 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 for a fee with respect to such assets (such as the Collateral Manager), and their respective Affiliates (each a "**Controlling Person**"), is held by Benefit Plan Investors (the "**25 per cent. Limitation**"). 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 such an employee benefit plan's or plan's investment in such entity.

If the underlying assets of the Issuer are deemed to be Plan assets, the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of Parties in Interest, under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the entity, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

The Plan Asset 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 that has no substantial equity features. Although it is not free from doubt, the Class A Notes, the Class B Notes and the Class C Notes offered hereby will be treated by the Issuer as indebtedness with no substantial equity features for purposes of ERISA. The treatment of the Class A Notes, the Class B Notes and the Class C Notes as not being equity interests in the Issuer could, however, be affected, subsequent to their issuance, by

certain changes in the structure or financial condition of the Issuer. However, the characteristics of the Class D Notes, the Class E Notes and the Subordinated Notes for purposes of the Plan Asset Regulation are less certain. The Class D Notes, the Class E Notes and the Subordinated Notes may be considered "equity interests" for purposes of the Plan Asset Regulation. Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in such Class D Notes, Class E Notes and Subordinated Notes. In reliance on representations made by investors in the Class D Notes, the Class E Notes and the Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in Class D Notes, Class E Notes and Subordinated Notes to less than 25 per cent. of the total value of the Class D Notes, the Class E Notes and the Subordinated Notes at all times (excluding for purposes of such calculation Class D Notes, Class E Notes and Subordinated Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class D Note, a Class E Note or a Subordinated Note will be required or deemed to make certain representations regarding its status as a Benefit Plan Investor or Controlling Person and other ERISA matters as described under "Transfer Restrictions" below. No Class D Note, Class E Note or Subordinated Note 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 Benefit Plan Investors owning 25 per cent. or more of the total value of the Class D Notes, the Class E Notes or the Subordinated Notes (determined separately by Class and in accordance with Section 3(42) of ERISA, the Plan Asset Regulation and the Trust Deed). Except as otherwise provided by the Plan Asset Regulation, each Class D Note, each Class E Note and each 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 such 25 per cent. Limitation.

Even if the Class A Notes, the Class B Notes and the Class C Notes would not be treated as equity interests in the Issuer for purposes of ERISA, it is possible that an investment in such Notes by a Benefit Plan Investor (or with the use of the assets of a Benefit Plan Investor) could be treated as a prohibited transaction under ERISA and/or Section 4975 of the Code. Such a prohibited transaction, however, may be subject to a statutory or administrative exemption. Even if an exemption were to apply, such exemption may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with an investment in the Notes by a Benefit Plan Investor.

Each of the Issuer, the Initial Purchaser, the Collateral Manager, 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 over 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, the Class A Notes, the Class B Notes and the Class C Notes may not be acquired using the assets of any Plan if any of the Issuer, the Initial Purchaser, the Collateral Manager or their respective affiliates has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies).

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.

Each purchaser and transferee of a Class A Note, a Class B Note or a Class C Note or any interest in such Note will be deemed to have represented, warranted and agreed that (i) either (A) it 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 federal, state, local or non-U.S. law that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Other Plan 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 governmental, church, non-U.S. or other plan, or (B) its acquisition, holding or disposition of such Notes (or interests therein) 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 Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to a transferee acquiring such Notes (or interests therein) unless the transferee makes the foregoing representations, warranties and agreements described in clause (i) hereof.

If you are a purchaser or transferee of a Class D Note, a Class E Note or a Subordinated Note in the form of a Regulation S Global Certificate or a Rule 144A Global Certificate (i) you will be deemed to represent, warrant and agree that (A) you are not, and are not acting on behalf of (and will not be and will not be acting on behalf of), a Benefit Plan Investor or a Controlling Person, unless in the case of a Controlling Person you receive the written consent of the Issuer and provide an ERISA certificate to the Issuer and the Registrar as to your status as a Controlling Person, and (B) if you are a governmental, church, non-U.S. or other plan, (1) you are not, and for so long as you hold such Notes or interest therein 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 Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law ("**Similar Law**") and (2) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (ii) you will agree to certain transfer restrictions regarding your interest in such Notes.

If you are a purchaser or transferee of a Class D Note, a Class E Note or a Subordinated Note in the form of a Definitive Certificate, (i) you will be required to represent and warrant in writing to the Issuer and the Registrar that (A) you are not, and are not acting on behalf of (and will not be and will not be acting on behalf of), a Benefit Plan Investor or a Controlling Person, unless in the case of a Controlling Person, you receive the written consent of the Issuer and provide an ERISA certificate to the Issuer and the Registrar as to your status, and (B) if you are a governmental, church, non-U.S. or other plan, (1) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any Similar Law and (2) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (ii) you will agree to certain transfer restrictions regarding your interest in such Notes.

No transfer of an interest in Class D Notes, Class E Notes or Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation described above to be exceeded with respect to the Class D Notes, the Class E Notes or the Subordinated Notes (determined separately by Class).

Any Plan fiduciary considering whether to acquire a Note on behalf of a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code should consult with its counsel regarding the potential consequences of such investment, the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code and/or similar provisions of Other Plan Law, and the scope of any available exemption relating to such investment.

The sale of Notes to a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code is in no respect a representation or warranty by the Issuer, or any other person that this investment meets all relevant legal requirements with respect to investments by Plans or such other plans generally or any particular plan, that any prohibited transaction exemption would apply to the acquisition, holding, or disposition of this investment by such plans in general or any particular plan, or that this investment is appropriate for such plans generally or any particular plan.

PLAN OF DISTRIBUTION

Deutsche Bank AG, London Branch (in its capacity as initial purchaser, the "Initial Purchaser") has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of the Notes (the "**Subscribed Notes**") pursuant to the Subscription Agreement, at the following issue prices:

(i) Class A-1 Notes, 99.72 per cent.;

(ii) Class A-2 Notes, 99.04 per cent.;

(iii) Class B Notes, 99.36 per cent.;

(iv) Class C Notes, 97.51 per cent.;

(v) Class D Notes, 93.97 per cent.; and

(vi) Class E Notes, 93.11 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 other prices as may be negotiated at the time of sale.

The Collateral Sub-Manager has agreed with the Initial Purchaser, subject to the satisfaction of certain conditions, to purchase the Retention Notes on the Issue Date at their respective issue prices.

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 A-1 Notes: €202,125,000, Class A-2 Notes: €46,375,000, Class B Notes: €21,000,000, Class C Notes: €18,375,000, Class D Notes: €22,750,000, Class E Notes: €11,375,000 and Subordinated Notes: €39,550,000.

The Issuer has agreed to indemnify the Initial Purchaser, the Collateral Manager, the Collateral Sub-Manager, the Collateral Administrator, the Trustee and certain other participants against certain liabilities or to contribute to payments they may be required to make in respect thereof.

Certain of the Collateral Obligations may have been originally underwritten or placed by the Initial Purchaser. In addition, the Initial Purchaser may have in the past performed and may in the future perform investment banking services or other services for issuers of the Collateral Obligations. In addition, 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 Collateral Obligations, with a result that one or more of such issuers may be or may become controlled by the Initial Purchaser or its Affiliates.

No action has been or will be taken by the Issuer, the Initial Purchaser, the Collateral Manager or the Collateral Sub-Manager 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 and will not impose any obligations on the Issuer or the Initial Purchaser.

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 Issuer has been advised that the Initial Purchaser proposes to resell the Subscribed Notes (a) to non-U.S. Persons in offshore transactions in reliance on Regulation S and in accordance with applicable law and (b) to U.S. Persons (directly or through its U.S. broker dealer Affiliate) in reliance

on Rule 144A only to or for their own account or for the accounts of QIBs/QP. The Deutsche Bank 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 Notes (other than the Class D Notes) sold in reliance on Rule 144A will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof, and the Class D Notes sold in reliance on Rule 144A will be issued in minimum denominations of €150,000 and integral multiples of €1,000 in excess thereof. 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 the Irish Stock Exchange. 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.

The Initial Purchaser has represented and agreed that:

(a) 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 ("**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

(b) 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.

The Initial Purchaser has also agreed to comply with the following selling restrictions:

(a) *European Economic Area*: In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") the Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State 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 the Relevant Member State 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), as permitted under 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 falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of the Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

(b) *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.

(c) *France*: Neither this Offering Circular nor any other offering material relating to the Notes has been submitted to the clearance procedures of the Autorité des Marchés Financiers ("**AMF**") or to the competent authority of another member state of the European Economic Area and subsequently notified to the AMF.

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.

(d) *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.

(e) *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.

(f) *Israel*: 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 will be 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.

(g) *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.

(h) *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 Supervision 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".

(i) *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) at any time 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 Initial Purchaser 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,

provided that no such offer of Notes referred to in (i) to (iii) above 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 the provision above, the expression an 'offer of notes to the public' in relation to any Notes in Norway 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, as the same may be varied in Norway by any measure implementing the Prospectus Directive in Norway and the expression 'Prospectus Directive' means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in Norway.

(j) *Singapore*: This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") nor have any arrangements described in the Offering Circular, which constitute a collective investment scheme for the purposes of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), been approved or registered with the AMS as an authorized or recognised CIS under the SFA (whether as a restricted scheme or otherwise). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Sections 274 and 304 of the SFA, (b) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(k) *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.

(l) *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*).

The Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in Sweden (the "**Sweden Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in Sweden except that it may, with effect from and including the Sweden Relevant Implementation Date, make an offer of such Notes to the public in Sweden:

(i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) at any time to fewer than 100 or, if Sweden 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 Initial Purchaser; or

(iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above 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 expression an offer of Notes to the public in relation to any Notes in Sweden means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in Sweden by any measure implementing the Prospectus Directive in Sweden, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in Sweden), and includes any relevant implementing measure in Sweden and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

(m) *Taiwan*: 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.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

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 Notes represented by Definitive Certificates will be required to represent and agree, as follows:

(1) The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) 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 (or, in the case of the Class D Notes, €150,000) for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein and under the "Notice to Investors" to any subsequent transferees.

(2) The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred 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. 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 Regulation S Notes, the Registrar 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 (2) 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.

(3) 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. 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.

(4) In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider or the Collateral Administrator is acting as a fiduciary or financial for the purchaser; (b) 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 Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider or the Collateral Administrator other than in this Offering Circular

for such Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider or the Collateral Administrator 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; (d) 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 judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider or the Collateral Administrator; (e) 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 (f) the purchaser is a sophisticated investor.

(5) The purchaser and each account for which the purchaser is acquiring such Rule 144A Notes is a QP. The purchaser is acquiring the Rule 144A Notes other than the Class D Notes in a principal amount of not less than €250,000 (or, in the case of the Class D Notes issued in the form of Rule 144A Notes, in a principal amount of not less than €150,000). 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 and each such account: (a) was not formed for the specific purpose of investing in the Rule 144A Notes (except when each beneficial owner of the purchaser and each such account is a QP); (b) to the extent the purchaser is a private investment company formed before April 30, 1996, the purchaser has received the necessary consent from its beneficial owners; (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made; and (d) is not a broker dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated issues. Further, the purchaser agrees with respect to itself and each such account: (x) that it shall not hold such Rule 144A Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes; (y) that it shall not sell participation interests in the Rule 144A Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Rule 144A Notes; and (z) that the Rule 144A Notes purchased directly or indirectly by it constitute an investment of no more than 40 per cent. of the purchaser's and each such account's assets (except when each beneficial owner of the purchaser and each such account is a QP). 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 (5) 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.

(6) (a) With respect to the purchase, holding and disposition of any Class A Note, Class B Note or Class C Note or any interest in such Note (i) 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 Plan 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 governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Notes (or interests therein) 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 Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to an acquiror acquiring such Notes (or interests therein) unless the acquiror makes the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Notes in violation of the requirements set forth 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 of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(b) (i) With respect to purchasers or transferees of a Class D Note, a Class E Note or a Subordinated Note in the form of a Rule 144A Global Certificate, (i)(A) it is not, and is not acting on behalf of (and will not be and will not be acting on behalf of), a Benefit Plan Investor or a Controlling Person, unless in the case of a Controlling Person it receives the written consent of the Issuer and provides an ERISA certificate to the Issuer and the Registrar as to its status as a Controlling Person, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (ii) it will agree to certain transfer restrictions regarding its interest in such Notes.

(ii) With respect to purchasers or transferees a Class D Note, a Class E Note or a Subordinated Note in the form of a Definitive Certificate, (i)(A) it is not, and is not acting on behalf of (and will not be and will not be acting on behalf of), a Benefit Plan Investor or a Controlling Person, unless in the case of a Controlling Person, it receives the written consent of the Issuer and provides an ERISA certificate to the Issuer and the Registrar as to its status, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (ii) it will agree to certain transfer restrictions regarding its interest in such Notes.

(iii) Any purported transfer of the Class D Notes, Class E Notes or Subordinated Notes in violation of the requirements set forth 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 of such Class D Notes, Class E Notes or Subordinated Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(c) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider and the Collateral Administrator and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(7) 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 forth 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 U.S. Persons that are not QIB/QPs. 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.

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 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 OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €[250,000][1] [150,000][2] FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. 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, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE 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 FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH 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 PRINCIPAL PAYING AGENT.

THE FAILURE TO PROVIDE THE ISSUER AND ANY PAYING AGENT WITH EITHER (X) THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, U.S. INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR AN APPLICABLE U.S. INTERNAL REVENUE SERVICE FORM W-8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) OR (Y) THE HOLDER FATCA INFORMATION MAY RESULT IN U.S. FEDERAL WITHHOLDING TAX OR BACK-UP WITHHOLDING TAX FROM PAYMENTS TO THE HOLDER OR BENEFICIAL OWNER IN RESPECT OF THIS NOTE.

WITH RESPECT TO ANY PERIOD AFTER JUNE 30, 2014 DURING WHICH AN INVESTOR OWNS MORE THAN 50% OF THE SUBORDINATED NOTES, BY VALUE, OR IS OTHERWISE TREATED AS A MEMBER OF THE ISSUER'S "EXPANDED

[1] Insert in each Note other than the Class D Notes.

[2] Insert in the Class D Notes.

AFFILIATED GROUP" (AS DEFINED IN TREASURY REGULATIONS SECTION 1.1471-5(I)), SUCH PERSON COVENANTS THAT ANY MEMBER OF SUCH EXPANDED AFFILIATED GROUP (OTHER THAN THE ISSUER OR ANY TAX SUBSIDIARIES OF THE ISSUER) THAT IS TREATED AS A "FOREIGN FINANCIAL INSTITUTION" WITHIN THE MEANING OF SECTION 1471(D)(4) OF CODE AND ANY TREASURY REGULATIONS PROMULGATED THEREUNDER WILL BE EITHER A "PARTICIPATING FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-1(B)(85) OR A "REGISTERED DEEMED-COMPLIANT FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-5(F), EXCEPT TO THE EXTENT THAT THE ISSUER OR ITS AGENTS HAVE PROVIDED SUCH PERSON WITH AN EXPRESS WAIVER OF THIS PROVISION.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE AGREES TO (I) PROVIDE THE ISSUER WITH THE HOLDER FATCA INFORMATION AND (II) PERMIT THE ISSUER AND THE COLLATERAL MANAGER (ON BEHALF OF THE ISSUER) TO (X) SHARE SUCH INFORMATION WITH THE IRS OR OTHER TAXING AUTHORITIES, (Y) COMPEL OR EFFECT THE SALE OF THIS NOTE IF SUCH HOLDER OR BENEFICIAL OWNER FAILS TO COMPLY WITH THE FOREGOING REQUIREMENTS OR PREVENTS THE ISSUER FROM, QUALIFYING AS, OR COMPLYING WITH ANY OBLIGATIONS OR REQUIREMENTS IMPOSED ON, A "PARTICIPATING FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-1(B)(85) OR A "DEEMED-COMPLIANT FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-5(F), OR WITH FATCA AND (Z) MAKE OTHER AMENDMENTS TO THE TRUST DEED TO ENABLE THE ISSUER TO COMPLY WITH FATCA. FOR THESE PURPOSES, THE ISSUER MAY SELL A BENEFICIAL OWNER'S INTEREST IN A NOTE IN ITS ENTIRETY NOTWITHSTANDING THAT THE SALE OF A PORTION OF SUCH AN INTEREST WOULD PERMIT THE ISSUER TO COMPLY WITH FATCA. "HOLDER FATCA INFORMATION" MEANS INFORMATION REQUESTED BY THE ISSUER OR AN INTERMEDIARY (OR AN AGENT THEREOF) TO BE PROVIDED BY THE NOTEHOLDERS OR BENEFICIAL OWNERS OF NOTES TO THE ISSUER OR AN INTERMEDIARY THAT IN THE REASONABLE DETERMINATION OF THE ISSUER OR AN INTERMEDIARY IS REQUIRED TO BE REQUESTED BY FATCA OR ANALOGOUS PROVISIONS OF NON-U.S. LAW (INCLUDING PURSUANT TO A VOLUNTARY AGREEMENT ENTERED INTO WITH A TAXING AUTHORITY) OR A RELATED RULE OR A PUBLISHED ADMINISTRATIVE INTERPRETATION.

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND AGREED TO TREAT THE ISSUER AND THE NOTES AS DESCRIBED IN THE "TAX CONSIDERATIONS—UNITED STATES TAXATION OF THE ISSUER" SECTION OF THE OFFERING CIRCULAR FOR ALL U.S. FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES AND TO TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY LAW.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES AND, CLASS C NOTES ONLY*] [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 WILL NOT BE OR 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 WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**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 THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF

ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN 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 GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) 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 OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH 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 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 RULE 144A GLOBAL CERTIFICATES ONLY*] [ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, THE NOMINEE OF THE DEPOSITORY TRUST COMPANY ("**DTC**"), NEW YORK, NEW YORK, HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF DTC TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF THE NOMINEE OF DTC OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO THE NOMINEE OF DTC).]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS D NOTES, THE CLASS E NOTES AND THE SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF A CLASS D NOTE, A CLASS E NOTE OR A SUBORDINATED NOTE IN THE FORM OF A REGULATION S GLOBAL CERTIFICATE OR A RULE 144A GLOBAL CERTIFICATE WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON, UNLESS IN THE CASE OF A CONTROLLING PERSON IT RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AND THE REGISTRAR AS TO ITS STATUS AS A CONTROLLING PERSON, AND (II) 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 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 ANY INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") AND/OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") ("**SIMILAR LAW**") AND (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-US LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN 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 TITLE I 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 D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH 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 OF SUCH CLASS D NOTES, CLASS E NOTES OR 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 D NOTE, A CLASS E NOTE OR A 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 D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, CLASS E NOTES OR 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 D NOTE, A CLASS E NOTE OR A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, OTHER PLAN LAW 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 ITS INTEREST IN THE CLASS D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF A CLASS D NOTE, A CLASS E NOTE OR A SUBORDINATED NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE THAT (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON, UNLESS IN THE CASE OF A CONTROLLING PERSON IT RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AND THE REGISTRAR AS TO ITS STATUS AS A CONTROLLING PERSON, AND (II) 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 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 ANY INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") AND/OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") ("**SIMILAR LAW**") AND (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-US LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN 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 TITLE I 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 D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH 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 OF SUCH CLASS D NOTES, CLASS E NOTES OR 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 D NOTE, A CLASS E NOTE OR A 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 D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, CLASS E NOTES OR 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 D NOTE, A CLASS E NOTE OR A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, OTHER PLAN LAW 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 ITS INTEREST IN THE CLASS D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS B NOTES, THE CLASS C NOTES, THE CLASS D NOTES AND THE CLASS E NOTES ONLY*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES

FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE ISSUER AT HERIKERBERGWEG 238, LUNA ARENA, 1101 CM, AMSTERDAM ZUIDOOST, THE NETHERLANDS.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES AND THE SUBORDINATED NOTES ONLY*] [EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE WILL MAKE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, A REPRESENTATION TO THE EFFECT THAT IT IS NOT AN AFFECTED BANK UNLESS SUCH ACQUISITION IS AUTHORIZED BY THE ISSUER IN WRITING AND IF IT IS AN AFFECTED BANK, IT IS NOT ACQUIRING THE NOTE IN ORDER TO REDUCE ITS U.S. FEDERAL INCOME TAX LIABILITY PURSUANT TO A TAX AVOIDANCE PLAN WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.881-3. THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF THIS NOTE THAT IS AN AFFECTED BANK TO SELL ALL OR A PORTION OF ITS INTEREST IN THIS NOTE, OR MAY SELL ALL OR A PORTION OF SUCH INTEREST ON BEHALF OF SUCH OWNER. AN "AFFECTED BANK" IS A "BANK" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT OWNS, DIRECTLY OR INDIRECTLY, MORE THAN 33 1/3% OF THE AGGREGATE OUTSTANDING AMOUNT OF THE CLASS E NOTES OR THE SUBORDINATED NOTES AND IS NEITHER (X) A UNITED STATES PERSON (WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) NOR (Y) 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%.]

(8) 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.

(9) 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.

(10) Each holder of a Note (or any interest therein) including any transferee will (i) provide the Issuer or its agents with the Holder FATCA Information and (ii) permit the Issuer or its agents to (x) share such information with the IRS or other taxing authorities, (y) compel or effect the sale of this Note if such holder or beneficial owner fails to comply with the foregoing requirements or otherwise prevents the Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "Participating FFI" within the meaning of U.S. Treasury Regulation Section 1.1471-1(b)(85) or a "deemed-compliant FFI" within the meaning of U.S. Treasury Regulation Section 1.1471-5(f), or prevents the Issuer from complying with FATCA, and (z) make other amendments to the Trust Deed to enable the Issuer to comply with FATCA. For these purposes, the Issuer may sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA. Holder FATCA Information means information requested by the Issuer or an intermediary (or an agent thereof) to be provided by the holders or beneficial owners of Notes to the Issuer or an intermediary that in the reasonable determination of the Issuer or an intermediary is required to be requested by FATCA or analogous provisions of non-U.S. law (including pursuant to a voluntary agreement entered into with a taxing authority) or a related rule or a published administrative interpretation.

(11) Each holder of a Note (or any interest therein) will be deemed to have represented and agreed to treat the Issuer and the Notes as described in the "Tax Considerations—United States Federal Income Taxation—United States Taxation of the Issuer" and "Tax Considerations—United States Federal Income Taxation—Characterisation of the Notes" section of the Offering Circular for all U.S. federal, state and local income tax purposes and to take no action inconsistent with such treatment unless required by law.

(12) With respect to the Class E Notes and the Subordinated Notes, each holder of a Note (or any interest therein) including any transferee will agree that it is not an Affected Bank unless its acquisition has been authorized by the Issuer in writing and that if it is an Affected Bank, it is not acquiring the Note in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan within the meaning of U.S. Treasury Regulation Section 1.881-3. Each holder of a Note (or any interest therein) including any transferee will agree that the Issuer has the right to compel a beneficial owner of this Note that is an Affected Bank to sell all or a portion of its interest in a Note, or may sell all or a portion of such interest on behalf of such holder or owner. An "**Affected Bank**" is a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that owns, directly or indirectly, more than 33-1/3 per cent. of the aggregate outstanding amount of the Class E Notes or the Subordinated Notes and is neither (x) a United States person (within the meaning of Section 7701(a)(30) of the Code nor (y) 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%.

(13) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Noteholder or Non-Permitted ERISA Noteholder to sell its interest in the Notes or may sell such interest in its Notes on behalf of such Non-Permitted Noteholder or Non-Permitted ERISA Noteholder.

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have made the representations set forth in clauses (4), (6) and (8) through (13) (inclusive) above (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:

(1) The purchaser is located outside the United States and is not a U.S. Person.

(2) 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 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 (A) 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 (or, in the case of the Class D Notes, €150,000) 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 and (B) that constitutes a QP; or (ii) to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.

(3) The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Notes will bear a legend set forth below.

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 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 OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €[250,000][3] [150,000][4] FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN NOTES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT NOT LESS THAN €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. 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, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE 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 FORTH 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 FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH 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 PRINCIPAL PAYING AGENT.

THE FAILURE TO PROVIDE THE ISSUER AND ANY PAYING AGENT WITH EITHER (X) THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, U.S. INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR AN APPLICABLE U.S. INTERNAL REVENUE SERVICE FORM W-8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE) OR (Y) THE HOLDER FATCA INFORMATION MAY RESULT IN U.S. FEDERAL WITHHOLDING TAX OR BACK-UP WITHHOLDING TAX FROM PAYMENTS TO THE HOLDER OR BENEFICIAL OWNER IN RESPECT OF THIS NOTE.

[3] Insert in each Note other than the Class D Notes.

[4] Insert in the Class D Notes.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE AGREES TO (I) PROVIDE THE ISSUER WITH THE HOLDER FATCA INFORMATION AND (II) PERMIT THE ISSUER AND THE COLLATERAL MANAGER (ON BEHALF OF THE ISSUER) TO (X) SHARE SUCH INFORMATION WITH THE IRS OR OTHER TAXING AUTHORITIES, (Y) COMPEL OR EFFECT THE SALE OF THIS NOTE IF SUCH HOLDER OR BENEFICIAL OWNER FAILS TO COMPLY WITH THE FOREGOING REQUIREMENTS OR PREVENTS THE ISSUER FROM QUALIFYING AS, OR COMPLYING WITH ANY OBLIGATIONS OR REQUIREMENTS IMPOSED ON, A "PARTICIPATING FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-1(B)(85) OR A "DEEMED-COMPLIANT FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-5(F), OR WITH FATCA AND (Z) MAKE OTHER AMENDMENTS TO THE TRUST DEED TO ENABLE THE ISSUER TO COMPLY WITH FATCA. FOR THESE PURPOSES, THE ISSUER MAY SELL A BENEFICIAL OWNER'S INTEREST IN A NOTE IN ITS ENTIRETY NOTWITHSTANDING THAT THE SALE OF A PORTION OF SUCH AN INTEREST WOULD PERMIT THE ISSUER TO COMPLY WITH FATCA. "HOLDER FATCA INFORMATION" MEANS INFORMATION REQUESTED BY THE ISSUER OR AN INTERMEDIARY (OR AN AGENT THEREOF) TO BE PROVIDED BY THE NOTEHOLDERS OR BENEFICIAL OWNERS OF NOTES TO THE ISSUER OR AN INTERMEDIARY THAT IN THE REASONABLE DETERMINATION OF THE ISSUER OR AN INTERMEDIARY IS REQUIRED TO BE REQUESTED BY FATCA OR ANALOGOUS PROVISIONS OF NON-U.S. LAW (INCLUDING PURSUANT TO A VOLUNTARY AGREEMENT ENTERED INTO WITH A TAXING AUTHORITY) OR A RELATED RULE OR A PUBLISHED ADMINISTRATIVE INTERPRETATION.

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND AGREED TO TREAT THE ISSUER AND THE NOTES AS DESCRIBED IN THE "TAX CONSIDERATIONS—UNITED STATES TAXATION OF THE ISSUER" SECTION OF THE OFFERING CIRCULAR FOR ALL U.S. FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES AND TO TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY LAW.

WITH RESPECT TO ANY PERIOD AFTER JUNE 30, 2014 DURING WHICH AN INVESTOR OWNS MORE THAN 50% 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)), SUCH PERSON COVENANTS THAT ANY MEMBER OF SUCH EXPANDED AFFILIATED GROUP (OTHER THAN THE ISSUER OR ANY TAX SUBSIDIARIES OF THE ISSUER) THAT IS TREATED AS A "FOREIGN FINANCIAL INSTITUTION" WITHIN THE MEANING OF SECTION 1471(D)(4) OF CODE AND ANY TREASURY REGULATIONS PROMULGATED THEREUNDER WILL BE EITHER A "PARTICIPATING FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-1(B)(85) OR A "REGISTERED DEEMED-COMPLIANT FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-5(F), EXCEPT TO THE EXTENT THAT THE ISSUER OR ITS AGENTS HAVE PROVIDED SUCH PERSON WITH AN EXPRESS WAIVER OF THIS PROVISION.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES AND CLASS C NOTES ONLY*] [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 WILL NOT BE OR 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 WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**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 THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN 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 GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) 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 OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH 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 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 D NOTES, THE CLASS E NOTES AND THE SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF A CLASS D NOTE, A CLASS E NOTE OR A SUBORDINATED NOTE IN THE FORM OF A REGULATION S GLOBAL CERTIFICATE OR A RULE 144A GLOBAL CERTIFICATE WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON, UNLESS IN THE CASE OF A CONTROLLING PERSON IT RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AND THE REGISTRAR AS TO ITS STATUS AS A CONTROLLING PERSON, AND (II) 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 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 ANY INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") AND/OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") ("**SIMILAR LAW**") AND (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-US LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN 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 TITLE I 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 D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH 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 OF SUCH CLASS D NOTES, CLASS E NOTES OR 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 D NOTE, A CLASS E NOTE OR A 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 D NOTES, THE CLASS E NOTES AND THE SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, CLASS E NOTES OR 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 D NOTE, A CLASS E NOTE OR A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, OTHER PLAN LAW 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 ITS INTEREST IN THE CLASS D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF A CLASS D NOTE, A CLASS E NOTE OR A SUBORDINATED NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE WILL BE REQUIRED TO REPRESENT, WARRANT AND AGREE THAT (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON, UNLESS IN THE CASE OF A CONTROLLING PERSON IT RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AND THE REGISTRAR AS TO ITS STATUS AS A CONTROLLING PERSON, AND (II) 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 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 ANY INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") AND/OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") ("**SIMILAR LAW**") AND (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT

IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-US LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN 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 TITLE I 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 D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH 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 OF SUCH CLASS D NOTES, CLASS E NOTES OR 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 D NOTE, A CLASS E NOTE OR A 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 D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, CLASS E NOTES OR 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 D NOTE, A CLASS E NOTE OR A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, OTHER PLAN LAW 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 ITS INTEREST IN THE CLASS D NOTE, THE CLASS E NOTE OR THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS B NOTES, THE CLASS C NOTES, THE CLASS D NOTES AND THE CLASS E NOTES ONLY*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE ISSUER AT HERIKERBERGWEG 238, LUNA ARENA, 1101 CM, AMSTERDAM ZUIDOOST, THE NETHERLANDS.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES AND THE SUBORDINATED NOTES ONLY*] [EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE WILL MAKE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, A REPRESENTATION TO THE EFFECT THAT

IT IS NOT AN AFFECTED BANK UNLESS SUCH ACQUISITION IS AUTHORIZED BY THE ISSUER IN WRITING AND IF IT IS AN AFFECTED BANK, IT IS NOT ACQUIRING THE NOTE IN ORDER TO REDUCE ITS U.S. FEDERAL INCOME TAX LIABILITY PURSUANT TO A TAX AVOIDANCE PLAN WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.881-3. THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF THIS NOTE THAT IS AN AFFECTED BANK TO SELL ALL OR A PORTION OF ITS INTEREST IN THIS NOTE, OR MAY SELL ALL OR A PORTION OF SUCH INTEREST ON BEHALF OF SUCH OWNER. AN "AFFECTED BANK" IS A "BANK" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT OWNS, DIRECTLY OR INDIRECTLY, MORE THAN 33 1/3% OF THE AGGREGATE OUTSTANDING AMOUNT OF THE CLASS E NOTES OR THE SUBORDINATED NOTES AND IS NEITHER (X) A UNITED STATES PERSON (WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) NOR (Y) 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%.]

(4) That neither the Issuer, its Affiliates (as defined in Rule 405 under the Securities Act) nor any persons (other than the Collateral Manager, as to whom no representation or warranty is made) acting on its or their behalf have engaged or will engage in any "directed selling efforts" (as defined in Regulation S under the Securities Act) in respect of the Notes.

(5) The Issuer, its Affiliates and any person (other than the Initial Purchaser, as to whom no representation or warranty is made) acting on its or their behalf have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

(6) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons.

(7) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Sub-Manager, the Liquidity Facility Provider or the Collateral Administrator, the Agents and their Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

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.

GENERAL INFORMATION

Clearing Systems

The Notes of each Class have been accepted for clearance through Euroclear and Clearstream, Luxembourg and DTC. The Common Code and International Securities Identification Number ("**ISIN**") for the Notes of each Class:

	Regulation S Notes		Rule 144 A Notes	
	ISIN	**Common Code**	**ISIN**	**CUSIP Code**
Class A-1 Notes	XS0988098645	98809864	US39927RAA68	39927RAA6
Class A-2 Notes	XS0988099296	98809929	US39927RAB42	39927RAB4
Class B Notes	XS0988099379	98809937	US39927RAC25	39927RAC2
Class C Notes	XS0988099536	98809953	US39927RAD08	39927RAD0
Class D Notes	XS0988099700	98809970	US39927RAE80	39927RAE8
Class E Notes	XS0988099882	98809988	US39927RAF55	39927RAF5
Subordinated Notes	XS0988099965	98809996	US39927RAG39	39927RAG3

Listing

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its Global Exchange Market. There can be no assurance that any such approval will be granted or, if granted that such listing will be maintained. It is expected that the total expenses related to the admission of the Notes to trading on the Global Exchange Market will be approximately EUR 6,440.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the board of Managing Directors of the Issuer passed on 3 December 2013.

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 7 October 2013 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 7 October 2013.

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.

Accounts

Since the date of its incorporation, other than entering into the Warehouse Arrangements and acquiring certain Collateral Obligations pursuant to it, the Issuer has not commenced operations and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Issuer during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 31 December 2014. 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 Event of Default or Potential 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

Davy 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 the Irish Stock Exchange or to trading on the Global Exchange Market of the Irish Stock Exchange.

Documents Available

Copies of the following documents may be inspected in electronic format (and, in the case of each of (h) and (i) below, will be available for collection free of charge) at the registered offices of Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes.

(a) the Articles of Association of the Issuer;

(b) the Subscription Agreement;

(c) the Risk Retention Letter;

(d) the Trust Deed (which includes the form of each Note of each Class);

(e) the Agency and Account Bank Agreement;

(f) the Collateral Management and Administration Agreement;

(g) the Issuer Management Agreement;

(h) each Monthly Report;

(i) each Payment Date Report;

(j) the Euroclear Security Agreement; and

(k) the Liquidity Facility Agreement.

Post Issuance Reporting

The Issuer will provide post-issuance transaction information in relation to the issue of Notes.

Enforceability of Judgments

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands. None of the directors and 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.

Foreign Language

The language of the Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct meaning may be ascribed to them under applicable law.

INDEX OF DEFINED TERMS

ANNEX A

MOODY'S RECOVERY RATES

The "**Moody's Recovery Rate**" is, respect to any Collateral Obligation, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

(a) if the Collateral Obligation 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 Collateral Obligation, 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 Collateral Obligation'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	Secured Senior Loan	Second Lien Loans, Senior Secured Bonds, Senior Secured Floating Rate Note *	Unsecured Senior Loans, Unsecured Bonds, Mezzanine Obligations, and High Yield Bonds
+2 or more	60.0%	55.0%	45.0%
+1	50.0%	45.0%	35.0%
0	45.0%	35.0%	30.0%
-1	40.0%	25.0%	25.0%
-2	30.0%	15.0%	15.0%
-3 or less	20.0%	5.0%	5.0%

(c) or, if the Collateral Obligation 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 Collateral Obligation does not have both a CFR and an Assigned Moody's Rating, such Collateral Obligation will be deemed to be an Unsecured Bond, Unsecured Senior Loan or High Yield Bond for purposes of this table.

"**Senior Secured Bond**" means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon a fixed rate, (d) does not constitute and is not secured by, Margin Stock, (e) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalised leases or other similar obligations, 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) and (f) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

"**Senior Secured Floating Rate Note**" means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon an interbank offered rate for deposits in the relevant currency and in the relevant location or a relevant reference bank's published base rate or prime rate for obligations denominated in the relevant currency and in the relevant location, (d) does not constitute and is not secured by, Margin Stock, (e) if it is subordinated

by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalised leases or other similar obligations, 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 future 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) and (f) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

"**Unsecured Bond**" means any of a senior unsecured obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note, certificated debt security or other debt security (other than any of the foregoing that evidences an Unsecured Senior Loan) and (c) which is not (and by its terms is not permitted to become) subordinate in right of payment to any other debt for borrowed money incurred by the obligor under such obligation except for borrowed money, trade claims, capitalised leases or other similar obligations, 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 future 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).

ANNEX B

FORM OF ERISA AND TAX CERTIFICATE

The purpose of this ERISA and Tax Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the Class D Notes, the Class E Notes and the Subordinated Notes (determined separately by class) issued by Grosvenor Place CLO 2013-1 B.V. (the "**Issuer**") is held by (a) employee benefit plans that are subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) plans that are subject to Section 4975 of the Internal Revenue Code of 1986 (the "**Code**") or (c) any entities whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment therein (collectively, "**Benefit Plan Investors**"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding and disposition of the Class D Notes, the Class E Notes and the 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 not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

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 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 D NOTES, THE CLASS E NOTES OR THE SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS), 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 D Notes, the Class E Notes or the 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" for purposes of 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**").

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" for purposes of conducting the 25 per cent. test under the Plan Asset Regulations: ____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 D Notes, the Class E Notes or the Subordinated Notes do not and will not constitute or give rise to 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 Other Plan 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 Collateral 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 D Notes, the Class E Notes or the Subordinated Notes do not and will not constitute or give rise to a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

7. □ Controlling Person. We are, or we are acting on behalf of any of: (i) the Collateral Manager, (ii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iii) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (iv) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set forth in the Plan Asset Regulations. 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 D Notes, the Class E Notes or the Subordinated Notes (determined separately by class), the Class D Notes, the Class E Notes or the Subordinated Notes held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

Compelled Disposition. We acknowledge and agree that:

(i) if any representation 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 Noteholder within 10 days after the date of such notice;

(ii) if we fail to transfer our Class D Notes, Class E Notes or Subordinated Notes, the Issuer shall have the right, without further notice to us, to sell our Class D Notes, Class E Notes or Subordinated Notes or our interest in the Class D Notes, the Class E Notes or the Subordinated Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Noteholder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Class D Notes, the Class E Notes or the Subordinated Notes and selling such securities to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion;

(iv) by our acceptance of an interest in the Class D Notes, the Class E Notes or the Subordinated Notes, we agree to cooperate with the Issuer to effect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

(vi) 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.

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 D Notes, the Class E Notes or the Subordinated Notes and (b) will not initiate any such transfer to a Benefit Plan Investor or to a Controlling Person, except with respect to a Controlling Person who has the written permission of the Issuer and has provided an ERISA certificate to the Issuer and the Registrar.

8. We agree to (i) provide the Issuer or its agents with the Holder FATCA Information and (ii) permit the Issuer or its agents to (x) share such information with the IRS or other taxing authorities, (y) compel or effect the sale of this Note if we fail to comply with the foregoing requirements or prevent the Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "Participating FFI" within the meaning of U.S. Treasury Regulation Section 1.1471-1(b)(85) or a "deemed-compliant FFI" within the meaning of U.S. Treasury Regulation Section 1.1471-5(f), or with FATCA, and (z) make other amendments to the Trust Deed to enable the Issuer to comply with FATCA. For these purposes, the Issuer may sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA. "Holder FATCA Information" means information requested by the Issuer or an intermediary (or an agent thereof) to be provided by the holders or beneficial owners of Notes to the Issuer or an intermediary that in the reasonable determination of the Issuer or an intermediary is required to be requested by FATCA or analogous provisions of non-U.S. law (including pursuant to a voluntary agreement entered into with a taxing authority) or a related rule or a published administrative interpretation.

9. We represent that we are not an Affected Bank unless our acquisition has been authorized by the Issuer in writing and that if we are an Affected Bank, we are not acquiring the Note in order to reduce our U.S. federal income tax liability pursuant to a tax avoidance plan within the meaning of U.S. Treasury Regulation Section 1.881-3. We acknowledge that the Issuer has the right to compel a beneficial owner of this Note that is an Affected Bank to sell all or a portion of its interest in this Note, or may sell all or a portion of such interest on behalf of such owner. An "Affected Bank" is a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that owns, directly or indirectly, more than 33-1/3 per cent. of the aggregate outstanding amount of the Class E Notes or the Subordinated Notes and is neither (x) a United States person (within the meaning of Section 7701(a)(30) of the Code nor (y) 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%.

10. We represent and agree to treat the Issuer and the Notes as described in "Tax Considerations—United States Federal Income Taxation—United States Taxation of the Issuer" and "Tax Considerations—United States Federal Income Taxation—Characterisation of the Notes" sections of the Offering Circular for all U.S. federal, state and local income tax purposes and to take no action inconsistent with such treatment unless required by law.

11. Continuing Representation; Reliance. We acknowledge and agree that the representations and warranties contained in this Certificate shall be deemed made on each day from the date we make such representations and warrants through and including the date on which we dispose of our interests in the Class D Notes, the Class E Notes or the 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 the Class D Notes, the Class E Notes or the Subordinated Notes (determined separately by class) upon any subsequent transfer of the Class D Notes, the Class E Notes or the Subordinated Notes in accordance with the Trust Deed.

12. If we own more than 50% 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)), we covenant that any member of such expanded affiliated group (other than the Issuer or any tax subsidiaries of the Issuer) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of Code and any Treasury regulations promulgated thereunder will be either a "participating FFI" within the meaning of U.S. Treasury Regulation Section 1.1471-1(b)(85) or a "registered deemed-compliant FFI" within the meaning of U.S. Treasury Regulation Section 1.1471-5(f), except to the extent that the Issuer or its agents have provided us with an express waiver of this provision.

13. Further Acknowledgement and Agreement. We acknowledge and agree that (i) all of the representations, warranties and assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, Deutsche Bank AG, London Branch and the Collateral Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, Deutsche Bank AG, London Branch, the Collateral Manager, Affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of the Class D Notes, the Class E Notes or the 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.

14. Future Transfer Requirements.

Transferee Letter and its Delivery. We acknowledge and agree that we may not transfer any the Class D Notes, the Class E Notes or the 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.

Note: Unless you are notified otherwise, the name and address of the Issuer is as follows:

Grosvenor Place CLO 2013-1 B.V., Herikerbergweg 238, Luna ArenA, 1101 CM, Amsterdam Zuidoost, The Netherlands.

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 D][Class E][Subordinated] Notes

REGISTERED OFFICE OF THE ISSUER
Grosvenor Place CLO 2013-1 B.V.
Herikerbergweg 238
Luna ArenA, 1101 CM
Amsterdam Zuidoost
The Netherlands

COLLATERAL MANAGER
CQS Cayman Limited Partnership
P.O. Box 242
45 Market Street, Gardenia Court
Camana Bay
Grand Cayman, KY1-1104
Cayman Islands

COLLATERAL SUB-MANAGER
CQS Investment Management Limited
5th Floor
33 Chester Street
London SW1X 7BL
United Kingdom

LIQUIDITY FACILITY PROVIDER
Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

U.S. PAYING AGENT, REGISTRAR AND TRANSFER AGENT
Deutsche Bank Trust Company Americas
1761 East St. Andrew Place
Santa Ana
California, 92705
United States of America

COLLATERAL ADMINISTRATOR, CALCULATION AGENT, PRINCIPAL PAYING AGENT, ACCOUNT BANK, CUSTODIAN, AND EXCHANGE AGENT
Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

TRUSTEE
Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

LEGAL ADVISERS

To the Sole Arranger and Initial Purchaser as to English Law and U.S. Law
Ashurst LLP
Broadwalk House
5 Appold Street
London
EC2A 2HA
United Kingdom

To the Trustee as to English Law
Allen & Overy LLP
One Bishops Square
London
E1 AD
United Kingdom

To the Collateral Manager and the Collateral Sub-Manager as to English Law and U.S. Law
Cadwalader, Wickersham & Taft LLP
Dashwood House, 69 Old Broad Street
London EC2M 1QS
United Kingdom

To the Collateral Manager as to Cayman Islands law
Maples and Calder
11th Floor
200 Aldersgate Street
London EC1A 4HD
United Kingdom

To the Issuer as to Dutch Law
Baker & McKenzie Amsterdam N.V.
Claude Debussylaan 54
1082 MD Amsterdam
The Netherlands

LISTING AGENT
Davy
Davy House, 49 Dawson Street
Dublin 2
Ireland

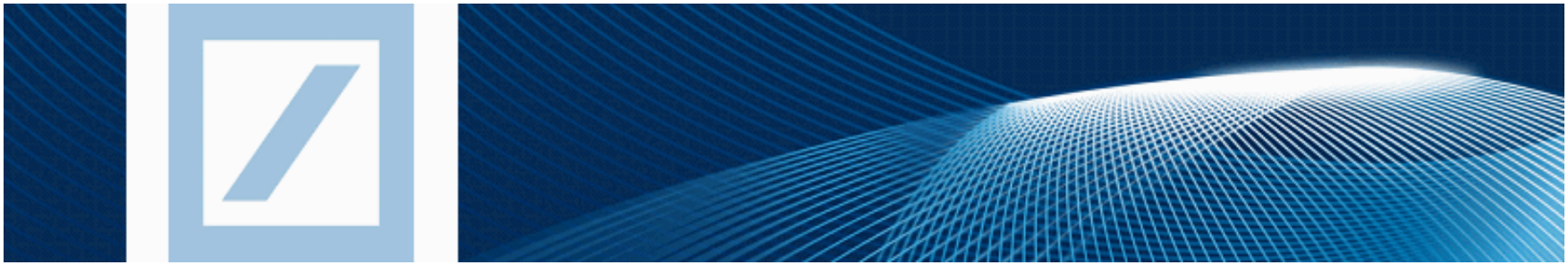
ANNEX B

Grosvenor Place CLO 2013-1 B.V.

Collateral Manager	**CQS Investment Management Limited**	**Closing Date**	**05-Dec-2013**
Underwriter	**Deutsche Bank AG, London Branch**	**Effective Date**	**17-Feb-2014**
Trustee	**Deutsche Trustee Company Limited**	**Next Payment Date**	**20-Apr-2017**

Monthly Report

31 March 2017



This report is prepared by Deutsche Bank AG, London Branch for information purposes only. Certain information included in this report is estimated, approximated or projected. The report is provided without any representations or warranties as to the completeness or accuracy. None of CQS Investment Management Limited, Grosvenor Place CLO 2013-1 B.V., Deutsche Bank AG or Deutsche Trustee Company Limited will have any liability for such estimates, approximations or projections.

Grosvenor Place CLO 2013-1 B.V.

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Grosvenor Place CLO 2013-1 B.V.

Summary as of 31-Mar-2017

Deutsche Bank

Assets

	Amount (EUR)
Senior Secured Loans / Bonds EUR	270,026,851.01
Senior Secured Loans / Bonds USD	0.00
Senior Secured Loans / Bonds GBP	0.00
Second Lien/Mezzanine/Senior Unsecured EUR	14,000,000.00
Second Lien/Mezzanine/Senior Unsecured USD	0.00
Second Lien/Mezzanine/Senior Unsecured GBP	0.00
High Yield EUR	0.00
High Yield USD	0.00
High Yield GBP	0.00
Collateral Principal Amount (Total EUR)	346,384,912.05
Adjusted Collateral Principal Amount	349,253,126.67
Current Balance of Principal Account EUR	62,358,061.04
Current Balance of Principal Account GBP	0.00
Current Balance of Principal Account USD	0.00
Total Balance of Principal Accounts:	62,358,061.04
Current Balance of Interest Account EUR	4,059,705.21
Current Balance of Interest Account DKK	0.00
Current Balance of Interest Account GBP	0.00
Current Balance of Interest Account SEK	0.00
Current Balance of Interest Account USD	0.00
Total Balance of Interest Accounts:	4,059,705.21
First Period Reserve Account	0.00
Expense Reserve Account	0.00

Quality Tests

Test Description	Trigger	Current Result 31-Mar-2017	Prior Result 28-Feb-2017	Pass / Fail
Moody's Minimum Diversity Test	>= 33.00	30.40	31.76	Fail
Moody's Maximum Weighted Average Rating Factor Test	<= 2923	2851	2864	Pass
Moody's Minimum Weighted Average Recovery Rate Test	>= 44.0	44.1	44.2	Pass
Fitch Maximum Weighted Average Rating Factor Test	<= 33.00	32.96	33.86	Pass
Fitch Minimum Weighted Average Recovery Rate Test	>= 65.9	64.9	64.8	Fail
Minimum Weighted Average Spread Test	>= 4.53%	4.62%	4.82%	Pass
Minimum Weighted Average Coupon Test	>= 5.75%	6.43%	7.59%	Pass
Weighted Average Life Test	<= 05 Dec 2021	14 Dec 2021	13 Nov 2021	Fail

Liabilities

Notes	Base Rate %	Spread bps	All in Rate %	Balance (EUR)	Expected Interest (EUR)
GROSV 2013-1X A1	-0.32900	140.0	1.07100	202,125,000.00	541,695.00
GROSV 2013-1X A2	-0.32900	210.0	1.77100	46,375,000.00	205,441.25
GROSV 2013-1X B	-0.32900	300.0	2.67100	21,000,000.00	140,280.00
GROSV 2013-1X C	-0.32900	385.0	3.52100	18,375,000.00	161,700.00
GROSV 2013-1X D	-0.32900	510.0	4.77100	22,750,000.00	271,407.50
GROSV 2013-1X E	-0.32900	610.0	5.77100	11,375,000.00	164,141.25
GROSV 2013-1X SUB		0.0	0.00000	39,550,000.00	0.00
				361,550,000.00	**1,484,665.00**

Coverage Tests

Test Description	Trigger	Current Result 31-Mar-2017	Prior Result 28-Feb-2017	Pass / Fail
Class A Interest Coverage Test	>= 125.00%	749.56%	749.09%	Pass
Class B Interest Coverage Test	>= 112.00%	631.07%	630.67%	Pass
Class C Interest Coverage Test	>= 105.00%	533.81%	533.47%	Pass
Class D Interest Coverage Test	>= 102.00%	424.09%	423.82%	Pass
Class A Par Value Test	>= 133.30%	140.54%	140.67%	Pass
Class B Par Value Test	>= 123.90%	129.59%	129.70%	Pass
Class C Par Value Test	>= 116.60%	121.32%	121.43%	Pass
Class D Par Value Test	>= 108.70%	112.44%	112.53%	Pass
Reinvestment Overcollateralisation Test	>= 109.20%	112.44%	112.53%	Pass

Grosvenor Place CLO 2013-1 B.V.

Account Summary as of 31-Mar-2017

Deutsche Bank

CCY	Account Name	Starting Balance (CCY)	Ending Balance (CCY)	Starting Balance (EUR)	Ending Balance (EUR)
Interest					
CHF	CHF Interest Account	0.00	0.00	0.00	0.00
DKK	DKK Interest Account	0.00	0.00	0.00	0.00
EUR	EUR Interest Account	2,582,681.11	4,059,705.21	2,582,681.11	4,059,705.21
GBP	GBP Interest Account	0.00	0.00	0.00	0.00
SEK	SEK Interest Account	0.00	0.00	0.00	0.00
USD	USD Interest Account	0.00	0.00	0.00	0.00
				2,582,681.11	**4,059,705.21**
Principal					
CHF	CHF Principal Account	0.00	0.00	0.00	0.00
DKK	DKK Principal Account	0.00	0.00	0.00	0.00
EUR	EUR Principal Account	35,780,937.39	55,016,457.45	35,780,937.39	55,016,457.45
GBP	GBP Principal Account	0.00	0.00	0.00	0.00
SEK	SEK Principal Account	0.00	0.00	0.00	0.00
USD	USD Principal Account	0.00	0.00	0.00	0.00
				35,780,937.39	**55,016,457.45**
Other					
EUR	EUR Custody Account	0.00	0.00	0.00	0.00
EUR	EUR Expense Reserve Account	0.00	0.00	0.00	0.00
EUR	EUR First Period Reserve Account	0.00	0.00	0.00	0.00
EUR	EUR Payment Account	0.00	0.00	0.00	0.00
EUR	EUR Prefunded Commitment Amount	4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00
EUR	EUR Supplemental Reserve Account	0.00	0.00	0.00	0.00
EUR	EUR Unfunded Revolver Reserve Account	770,954.69	0.00	770,954.69	0.00
EUR	EUR Unused Proceeds Account	0.00	0.00	0.00	0.00
				4,770,954.69	**4,000,000.00**
				43,134,573.19	**63,076,162.66**

Grosvenor Place CLO 2013-1 B.V.

Par Coverage Test Detail as of 31-Mar-2017

Test Description	Numerator	Denominator	Trigger	Current Result 31-Mar-2017	Prior Result 28-Feb-2017	Pass/Fail
Class A Par Value Test	349,253,126.67	248,500,000.00	>= 133.30%	140.54%	140.67%	Pass
Class B Par Value Test	349,253,126.67	269,500,000.00	>= 123.90%	129.59%	129.70%	Pass
Class C Par Value Test	349,253,126.67	287,875,000.00	>= 116.60%	121.32%	121.43%	Pass
Class D Par Value Test	349,253,126.67	310,625,000.00	>= 108.70%	112.44%	112.53%	Pass
Reinvestment Overcollateralisation Test	349,253,126.67	310,625,000.00	>= 109.20%	112.44%	112.53%	Pass

Numerator Details

	EUR
Aggregate Principal Balance	284,026,851.01
Defaulted Obligations	2,868,214.62
Unpaid Purchased Accrued Interest	0.00
Principal and Additional Collateral Accounts	62,358,061.04
Less Excess Caa/CCC Adjustment Amount	0.00
Less Discount Obligations Haircut	0.00
Par Coverage Numerator	**349,253,126.67**

Denominator Details

	EUR
Class A Par Value Test	
Principal Balance of Notes	248,500,000.00
Class B Par Value Test	
Principal Balance of Notes	269,500,000.00
Class C Par Value Test	
Principal Balance of Notes	287,875,000.00
Class D Par Value Test	
Principal Balance of Notes	310,625,000.00
Reinvestment Overcollateralisation Test	
Principal Balance of Notes	310,625,000.00

Grosvenor Place CLO 2013-1 B.V.

Interest Coverage Test Detail as of 31-Mar-2017

Deutsche Bank

Test Description	Numerator	Denominator	Trigger	Current Result 31-Mar-2017	Prior Result 28-Feb-2017	Pass/Fail
Class A Interest Coverage Test	5,600,242.79	747,136.25	>= 125.00%	749.56%	749.09%	Pass
Class B Interest Coverage Test	5,600,242.79	887,416.25	>= 112.00%	631.07%	630.67%	Pass
Class C Interest Coverage Test	5,600,242.79	1,049,116.25	>= 105.00%	533.81%	533.47%	Pass
Class D Interest Coverage Test	5,600,242.79	1,320,523.75	>= 102.00%	424.09%	423.82%	Pass

Numerator Details

	CCY	Value (CCY)	Spot Rate	EUR
Actual Interest Proceeds Collected				4,059,705.21
Projected Interest - Securities	EUR	186,409.47	1.000000	186,409.47
(A) Issuer Taxes				-48,922.90
(B) Trustee Fees and Expenses				-4,188.26
(C) Administrative Expenses				-83,424.51
(D) Expense Reserve Account				0.00
(E) Liquidity Facility Payments				-6,500.00
(F) Senior Collateral Management Fee				-125,647.84
(G) Issuer Swap Payments				0.00
Liquidity Facility				0.00
Additional Accrued Interest				1,622,811.62
				5,600,242.79

Denominator Details

	EUR
Class A Interest Coverage Test	
Projected Interest Payments on Notes	747,136.25
Class B Interest Coverage Test	
Projected Interest Payments on Notes	887,416.25
Class C Interest Coverage Test	
Projected Interest Payments on Notes	1,049,116.25
Class D Interest Coverage Test	
Projected Interest Payments on Notes	1,320,523.75

Grosvenor Place CLO 2013-1 B.V.

Portfolio Profile Tests as of 31-Mar-2017

Deutsche Bank

Test Description	Trigger	Current Result 31-Mar-2017	Prior Result 28-Feb-2017	Numerator	Denominator	Pass/Fail	Comments
1 not less than 90.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Obligations	>= 90.00%	95.96%	95.96%	332,384,912.05	346,384,912.05	Pass	
2 not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds	<= 10.00%	4.04%	4.04%	14,000,000.00	346,384,912.05	Pass	
3 (i) not more than 2.5 per cent. of the Collateral Principal Amount shall be the obligation of any single Obligor, provided, however	<= 2.50%	2.53%	2.53%	8,780,000.00	346,384,912.05	Fail	
3 (ii) that in the case of Collateral Obligations which are not Secured Senior Obligations, not more than 1.5 per cent. of the Collateral Principal Amount shall be the obligation of any single Obligor	<= 1.50%	1.15%	1.15%	4,000,000.00	346,384,912.05	Pass	
4 not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Non-Euro Obligations	<= 10.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
5 not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Participations	<= 5.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
6 not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Current Obligations	<= 5.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
7 not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations	<= 5.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
8 not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations	<= 7.50%	1.15%	2.74%	4,000,000.00	346,384,912.05	Pass	
9 not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations	<= 7.50%	4.47%	4.47%	15,500,000.00	346,384,912.05	Pass	
10 not more than 3.0 per cent. of the Collateral Principal Amount shall consist of Bridge Loans	<= 3.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
11(i) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Corporate Rescue Loans, provided that	<= 5.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
11(ii) no more than 2.0 per cent. shall consist of Corporate Rescue Loans of a single Obligor	<= 2.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
12 not more than 2.5 per cent. of the Collateral Principal Amount shall consist of prefunded Letters of Credit	<= 2.50%	0.00%	0.00%	0.00	346,384,912.05	Pass	
13 not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are PIK Securities	<= 5.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
14 not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Fixed Rate Collateral Obligations	<= 10.00%	6.41%	6.41%	22,208,000.00	346,384,912.05	Pass	
15 not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which pay scheduled interest less frequently than semi-annually but no less frequently than annually	<= 5.00%	1.33%	1.33%	4,609,299.05	346,384,912.05	Pass	

Grosvenor Place CLO 2013-1 B.V.

Portfolio Profile Tests as of 31-Mar-2017

Deutsche Bank

Test Description	Trigger	Current Result 31-Mar-2017	Prior Result 28-Feb-2017	Numerator	Denominator	Pass/Fail	Comments
16 not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries or jurisdictions rated below "A-" by Fitch	<= 10.00%	6.24%	6.24%	21,617,612.50	346,384,912.05	Pass	
17 not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in jurisdictions the local currency country bond ceiling rating by Moody's is greater than or equal to "Baa3" and less than or equal to "A1"	<= 10.00%	0.86%	0.85%	2,962,612.50	346,384,912.05	Pass	
18 not more than 20.0 per cent. of the Collateral Principal Amount shall consist of Cov-Lite Loans	<= 20.00%	20.50%	21.66%	71,006,839.47	346,384,912.05	Fail	
19(i) Aggregate Third Party Credit Exposure Risk Limitations Aaa / AAA	<= 20.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(ii) Individual Third Party Credit Exposure Risk Limitations Aaa / AAA	<= 20.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(iii) Aggregate Third Party Credit Exposure Risk Limitations Aa1 / AA+	<= 20.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(iv) Individual Third Party Credit Exposure Risk Limitations Aa1 / AA+	<= 10.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(v) Aggregate Third Party Credit Exposure Risk Limitations Aa2 / AA	<= 20.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(vi) Individual Third Party Credit Exposure Risk Limitations Aa2 / AA	<= 10.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(vii) Aggregate Third Party Credit Exposure Risk Limitations Aa3 / AA-	<= 15.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(viii) Individual Third Party Credit Exposure Risk Limitations Aa3 / AA-	<= 10.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(ix) Aggregate Third Party Credit Exposure Risk Limitations A1 / A+	<= 10.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(x) Individual Third Party Credit Exposure Risk Limitations A1 / A+	<= 5.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(xi) Aggregate Third Party Credit Exposure Risk Limitations A2 / A	<= 5.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(xii) Individual Third Party Credit Exposure Risk Limitations A2 / A	<= 5.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(xiii) Aggregate Third Party Credit Exposure Risk Limitations A2 without P1 / A- and below	<= 0.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
19(xiv) Individual Third Party Credit Exposure Risk Limitations A2 without P1 / A- and below	<= 0.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
20 not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations of borrowers with Total Facilities greater than or equal to €100,000,000 or the equivalent but less than €150,000,000 or the equivalent	<= 5.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	
21 not more than 30 per cent. of the Collateral Principal Amount shall consist of Obligors which are classified in the two Fitch Industry Categories containing the most Collateral Obligations by Aggregate Principal Balance	<= 30.00%	22.86%	23.38%	79,179,667.77	346,384,912.05	Pass	
22 not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations whose Moody's Rating is derived from an S&P rating	<= 10.00%	0.00%	0.00%	0.00	346,384,912.05	Pass	

Grosvenor Place CLO 2013-1 B.V.

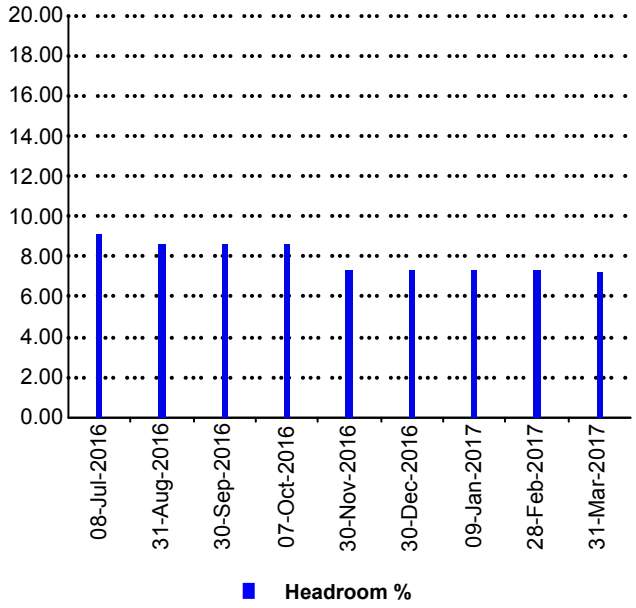
Par Value Coverage Test History as of 31-Mar-2017

Deutsche Bank

Class A Par Value Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	140.54%	133.30%	7.24%	Pass
28-Feb-2017	140.67%	133.30%	7.37%	Pass
09-Jan-2017	140.64%	133.30%	7.34%	Pass
30-Dec-2016	140.64%	133.30%	7.34%	Pass
30-Nov-2016	140.60%	133.30%	7.30%	Pass
07-Oct-2016	141.91%	133.30%	8.61%	Pass
30-Sep-2016	141.94%	133.30%	8.64%	Pass
31-Aug-2016	141.96%	133.30%	8.66%	Pass
08-Jul-2016	142.48%	133.30%	9.18%	Pass

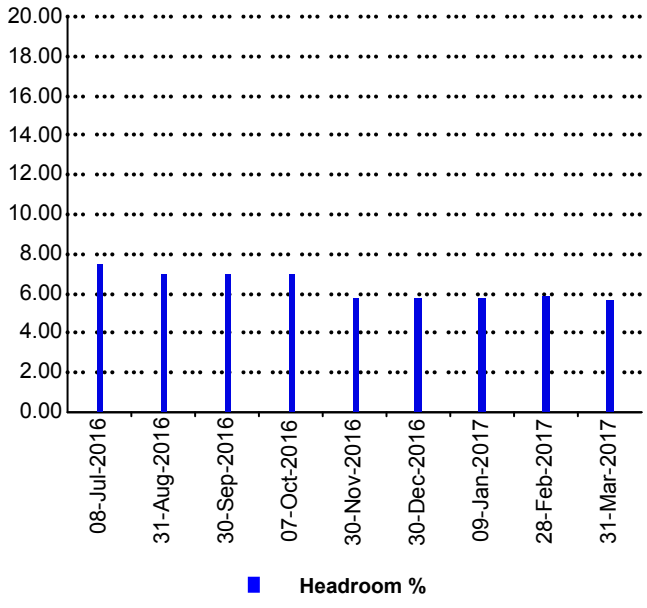
Trend



Class B Par Value Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	129.59%	123.90%	5.69%	Pass
28-Feb-2017	129.70%	123.90%	5.80%	Pass
09-Jan-2017	129.68%	123.90%	5.78%	Pass
30-Dec-2016	129.68%	123.90%	5.78%	Pass
30-Nov-2016	129.65%	123.90%	5.75%	Pass
07-Oct-2016	130.86%	123.90%	6.96%	Pass
30-Sep-2016	130.88%	123.90%	6.98%	Pass
31-Aug-2016	130.90%	123.90%	7.00%	Pass
08-Jul-2016	131.38%	123.90%	7.48%	Pass

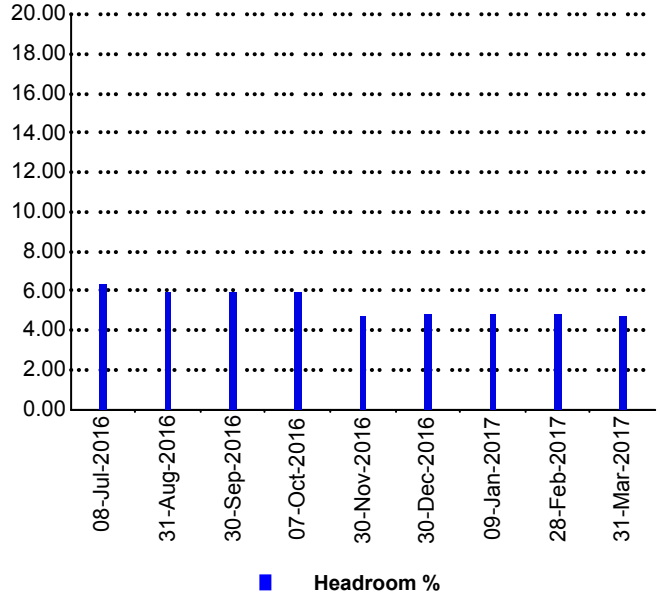
Trend



Class C Par Value Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	121.32%	116.60%	4.72%	Pass
28-Feb-2017	121.43%	116.60%	4.83%	Pass
09-Jan-2017	121.40%	116.60%	4.80%	Pass
30-Dec-2016	121.40%	116.60%	4.80%	Pass
30-Nov-2016	121.37%	116.60%	4.77%	Pass
07-Oct-2016	122.50%	116.60%	5.90%	Pass
30-Sep-2016	122.53%	116.60%	5.93%	Pass
31-Aug-2016	122.54%	116.60%	5.94%	Pass
08-Jul-2016	122.99%	116.60%	6.39%	Pass

Trend



Grosvenor Place CLO 2013-1 B.V.

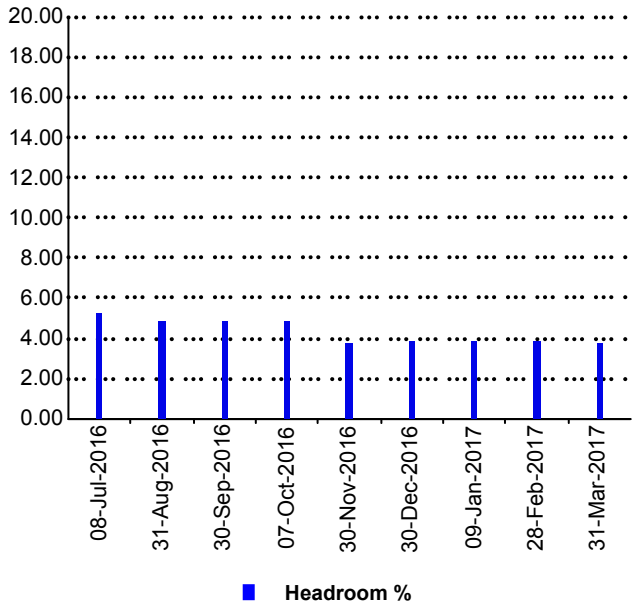
Par Value Coverage Test History as of 31-Mar-2017

Deutsche Bank

Class D Par Value Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	112.44%	108.70%	3.74%	Pass
28-Feb-2017	112.53%	108.70%	3.83%	Pass
09-Jan-2017	112.51%	108.70%	3.81%	Pass
30-Dec-2016	112.51%	108.70%	3.81%	Pass
30-Nov-2016	112.48%	108.70%	3.78%	Pass
07-Oct-2016	113.53%	108.70%	4.83%	Pass
30-Sep-2016	113.55%	108.70%	4.85%	Pass
31-Aug-2016	113.57%	108.70%	4.87%	Pass
08-Jul-2016	113.99%	108.70%	5.29%	Pass

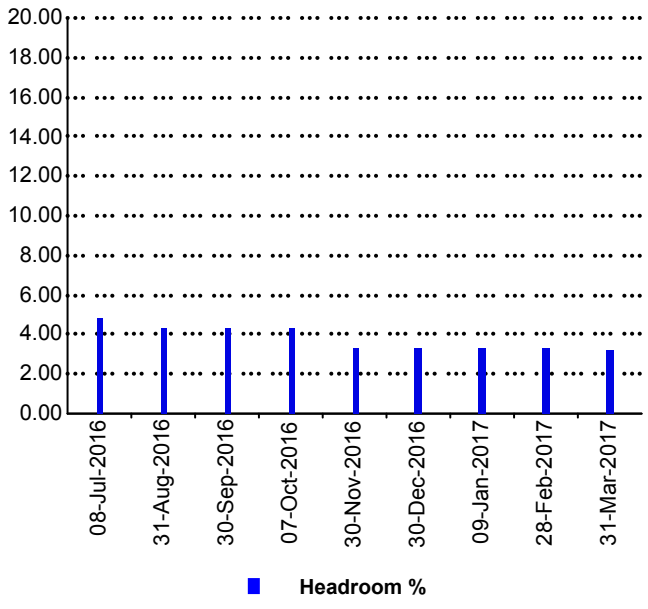
Trend



Reinvestment Overcollateralisation Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	112.44%	109.20%	3.24%	Pass
28-Feb-2017	112.53%	109.20%	3.33%	Pass
09-Jan-2017	112.51%	109.20%	3.31%	Pass
30-Dec-2016	112.51%	109.20%	3.31%	Pass
30-Nov-2016	112.48%	109.20%	3.28%	Pass
07-Oct-2016	113.53%	109.20%	4.33%	Pass
30-Sep-2016	113.55%	109.20%	4.35%	Pass
31-Aug-2016	113.57%	109.20%	4.37%	Pass
08-Jul-2016	113.99%	109.20%	4.79%	Pass

Trend



Grosvenor Place CLO 2013-1 B.V.

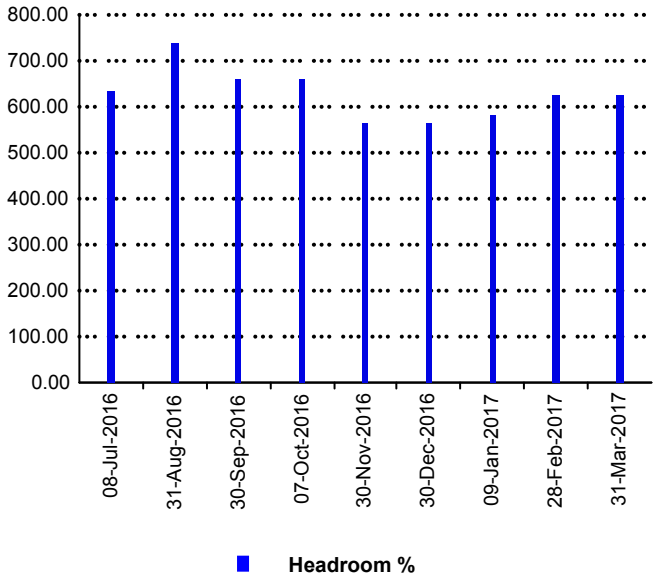
Interest Coverage Test History as of 31-Mar-2017

Deutsche Bank

Class A Interest Coverage Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	749.56%	125.00%	624.56%	Pass
28-Feb-2017	749.09%	125.00%	624.09%	Pass
09-Jan-2017	708.27%	125.00%	583.27%	Pass
30-Dec-2016	690.15%	125.00%	565.15%	Pass
30-Nov-2016	688.49%	125.00%	563.49%	Pass
07-Oct-2016	784.44%	125.00%	659.44%	Pass
30-Sep-2016	784.46%	125.00%	659.46%	Pass
31-Aug-2016	865.49%	125.00%	740.49%	Pass
08-Jul-2016	760.16%	125.00%	635.16%	Pass

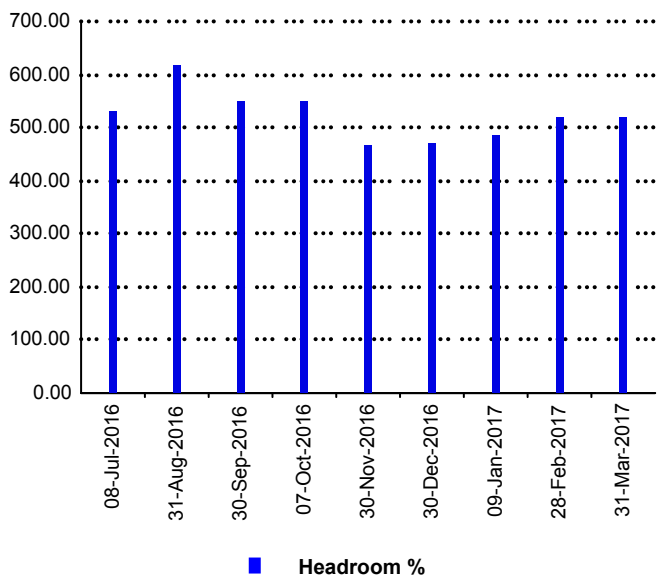
Trend



Class B Interest Coverage Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	631.07%	112.00%	519.07%	Pass
28-Feb-2017	630.67%	112.00%	518.67%	Pass
09-Jan-2017	596.97%	112.00%	484.97%	Pass
30-Dec-2016	581.70%	112.00%	469.70%	Pass
30-Nov-2016	580.30%	112.00%	468.30%	Pass
07-Oct-2016	661.90%	112.00%	549.90%	Pass
30-Sep-2016	661.91%	112.00%	549.91%	Pass
31-Aug-2016	730.29%	112.00%	618.29%	Pass
08-Jul-2016	643.52%	112.00%	531.52%	Pass

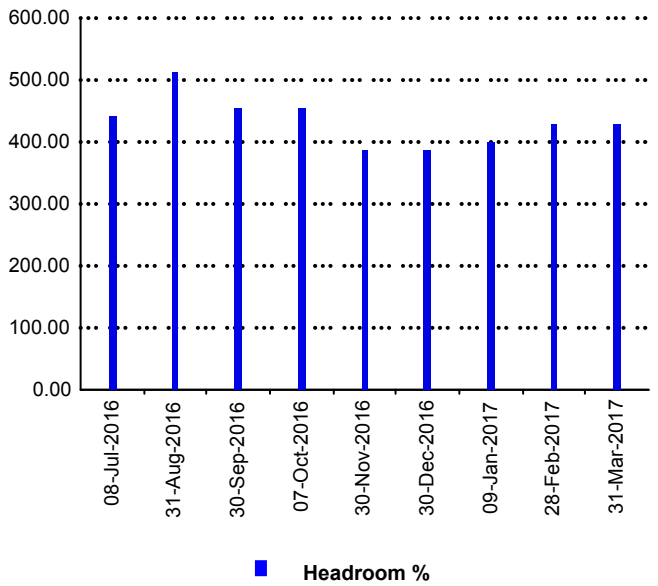
Trend



Class C Interest Coverage Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	533.81%	105.00%	428.81%	Pass
28-Feb-2017	533.47%	105.00%	428.47%	Pass
09-Jan-2017	505.51%	105.00%	400.51%	Pass
30-Dec-2016	492.58%	105.00%	387.58%	Pass
30-Nov-2016	491.39%	105.00%	386.39%	Pass
07-Oct-2016	561.02%	105.00%	456.02%	Pass
30-Sep-2016	561.03%	105.00%	456.03%	Pass
31-Aug-2016	618.98%	105.00%	513.98%	Pass
08-Jul-2016	547.30%	105.00%	442.30%	Pass

Trend



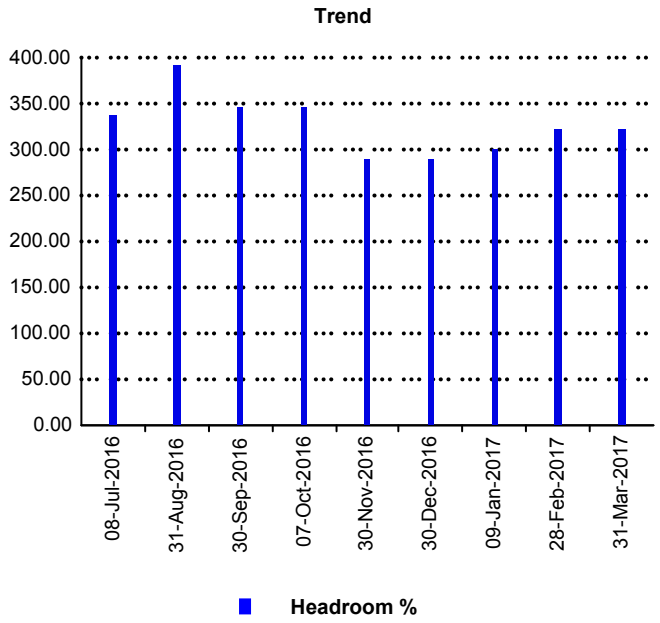
Grosvenor Place CLO 2013-1 B.V.

Interest Coverage Test History as of 31-Mar-2017

Deutsche Bank

Class D Interest Coverage Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	424.09%	102.00%	322.09%	Pass
28-Feb-2017	423.82%	102.00%	321.82%	Pass
09-Jan-2017	402.21%	102.00%	300.21%	Pass
30-Dec-2016	391.93%	102.00%	289.93%	Pass
30-Nov-2016	390.98%	102.00%	288.98%	Pass
07-Oct-2016	447.06%	102.00%	345.06%	Pass
30-Sep-2016	447.07%	102.00%	345.07%	Pass
31-Aug-2016	493.25%	102.00%	391.25%	Pass
08-Jul-2016	438.05%	102.00%	336.05%	Pass



Grosvenor Place CLO 2013-1 B.V.

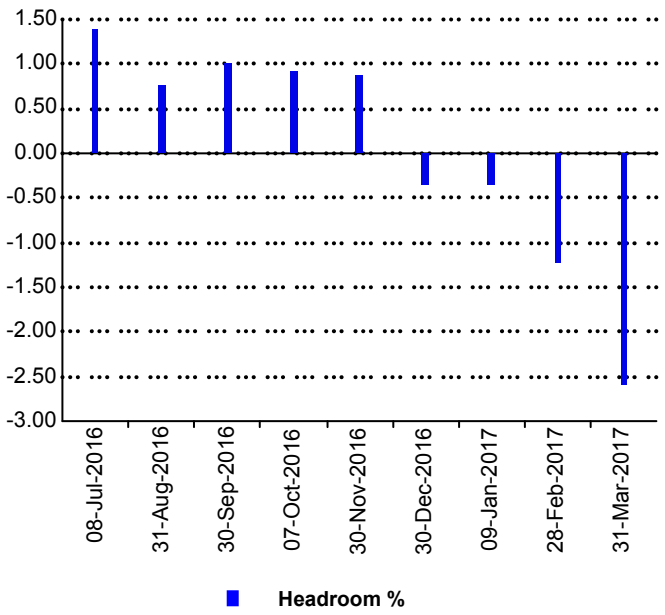
Collateral Quality Test History as of 31-Mar-2017

Deutsche Bank

Moody's Minimum Diversity Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	30.40	33.00	-2.60	Fail
28-Feb-2017	31.76	33.00	-1.24	Fail
09-Jan-2017	32.64	33.00	-0.36	Fail
30-Dec-2016	32.64	33.00	-0.36	Fail
30-Nov-2016	33.88	33.00	0.88	Pass
07-Oct-2016	33.92	33.00	0.92	Pass
30-Sep-2016	34.01	33.00	1.01	Pass
31-Aug-2016	33.76	33.00	0.76	Pass
08-Jul-2016	34.39	33.00	1.39	Pass

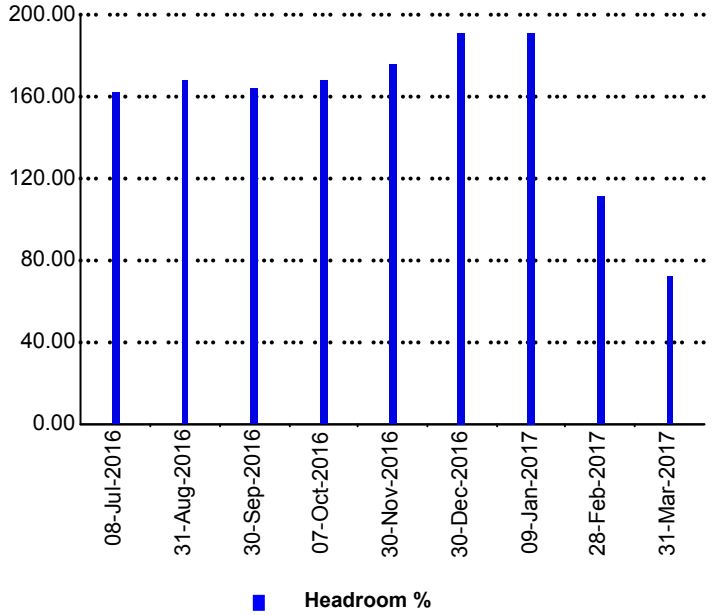
Trends



Moody's Maximum Weighted Average Rating Factor Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	2851	2923	72	Pass
28-Feb-2017	2864	2975	111	Pass
09-Jan-2017	2785	2975	191	Pass
30-Dec-2016	2785	2975	191	Pass
30-Nov-2016	2799	2975	176	Pass
07-Oct-2016	2807	2975	168	Pass
30-Sep-2016	2811	2975	164	Pass
31-Aug-2016	2808	2975	168	Pass
08-Jul-2016	2814	2975	162	Pass

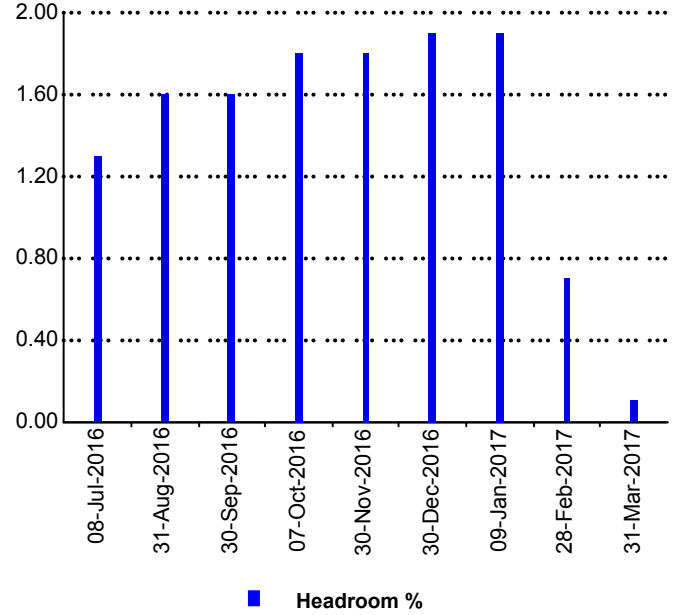
Trends



Moody's Minimum Weighted Average Recovery Rate Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	44.1	44.0	0.1	Pass
28-Feb-2017	44.2	43.5	0.7	Pass
09-Jan-2017	44.4	42.5	1.9	Pass
30-Dec-2016	44.4	42.5	1.9	Pass
30-Nov-2016	44.5	42.6	1.8	Pass
07-Oct-2016	44.6	42.8	1.8	Pass
30-Sep-2016	44.4	42.8	1.6	Pass
31-Aug-2016	44.3	42.8	1.6	Pass
08-Jul-2016	44.1	42.8	1.3	Pass

Trends



Grosvenor Place CLO 2013-1 B.V.

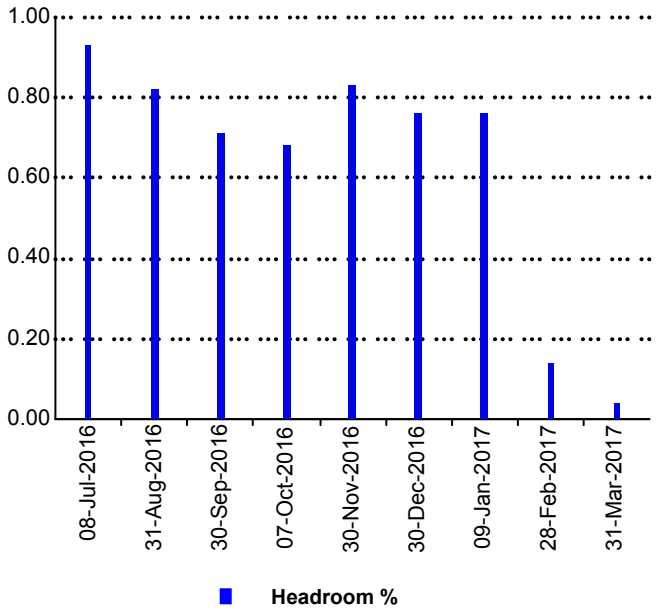
Collateral Quality Test History as of 31-Mar-2017

Deutsche Bank

Fitch Maximum Weighted Average Rating Factor Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	32.96	33.00	0.04	Pass
28-Feb-2017	33.86	34.00	0.14	Pass
09-Jan-2017	33.24	34.00	0.76	Pass
30-Dec-2016	33.24	34.00	0.76	Pass
30-Nov-2016	33.17	34.00	0.83	Pass
07-Oct-2016	33.32	34.00	0.68	Pass
30-Sep-2016	33.29	34.00	0.71	Pass
31-Aug-2016	33.18	34.00	0.82	Pass
08-Jul-2016	33.07	34.00	0.93	Pass

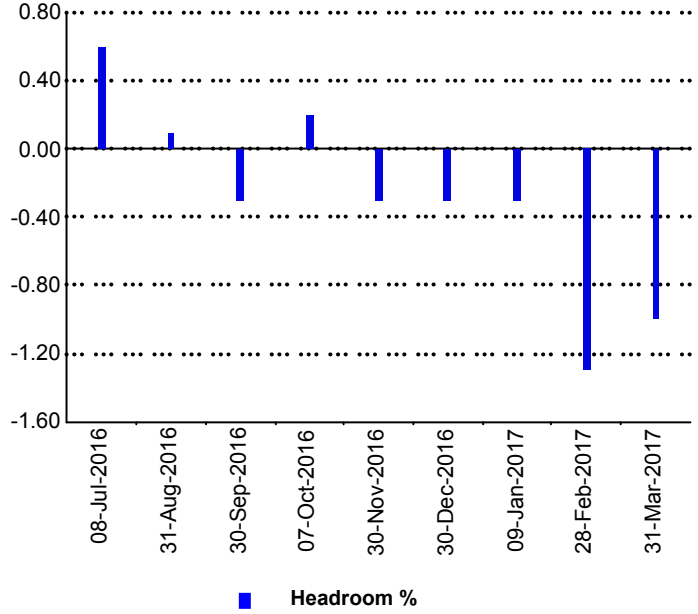
Trends



Fitch Minimum Weighted Average Recovery Rate Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	64.9	65.9	-1.0	Fail
28-Feb-2017	64.8	66.1	-1.3	Fail
09-Jan-2017	65.8	66.1	-0.3	Fail
30-Dec-2016	65.8	66.1	-0.3	Fail
30-Nov-2016	65.8	66.1	-0.3	Fail
07-Oct-2016	66.3	66.1	0.2	Pass
30-Sep-2016	65.8	66.1	-0.3	Fail
31-Aug-2016	66.2	66.1	0.1	Pass
08-Jul-2016	66.7	66.1	0.6	Pass

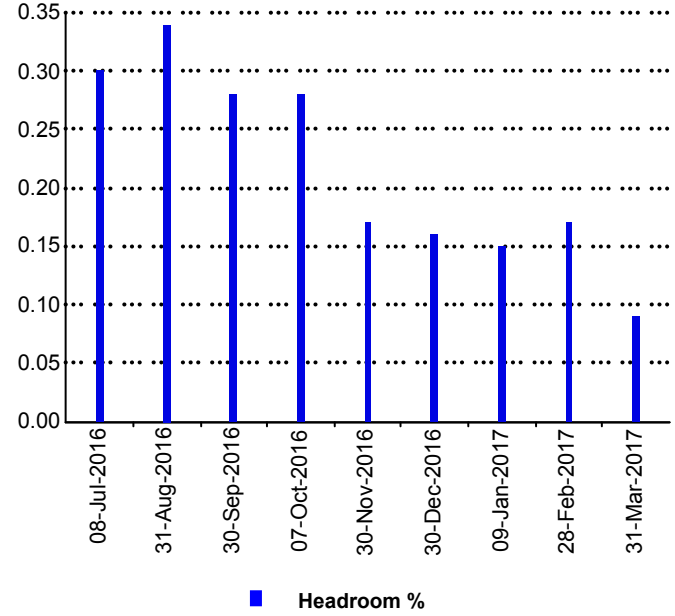
Trends



Minimum Weighted Average Spread Test

Date	Actual	Trigger	Headroom	Result
31-Mar-2017	4.62%	4.53%	0.09%	Pass
28-Feb-2017	4.82%	4.65%	0.17%	Pass
09-Jan-2017	4.80%	4.65%	0.15%	Pass
30-Dec-2016	4.81%	4.65%	0.16%	Pass
30-Nov-2016	4.82%	4.65%	0.17%	Pass
07-Oct-2016	4.93%	4.65%	0.28%	Pass
30-Sep-2016	4.93%	4.65%	0.28%	Pass
31-Aug-2016	4.99%	4.65%	0.34%	Pass
08-Jul-2016	4.95%	4.65%	0.30%	Pass

Trends



Grosvenor Place CLO 2013-1 B.V.

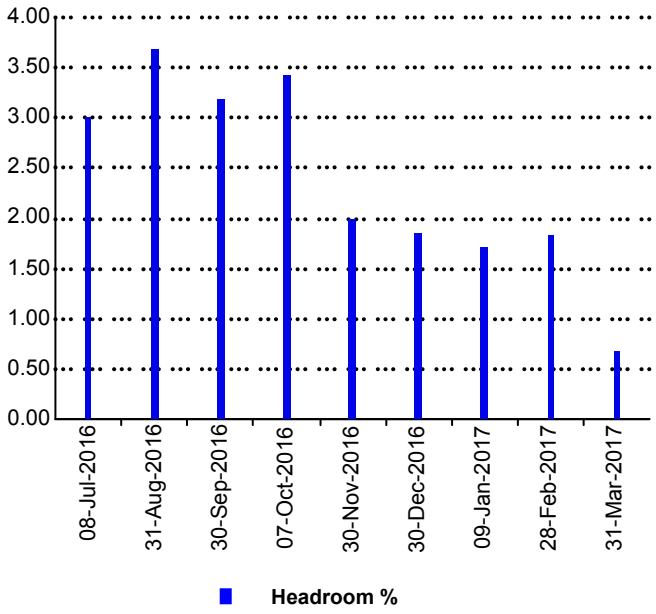
Collateral Quality Test History as of 31-Mar-2017

Deutsche Bank

Minimum Weighted Average Coupon Test

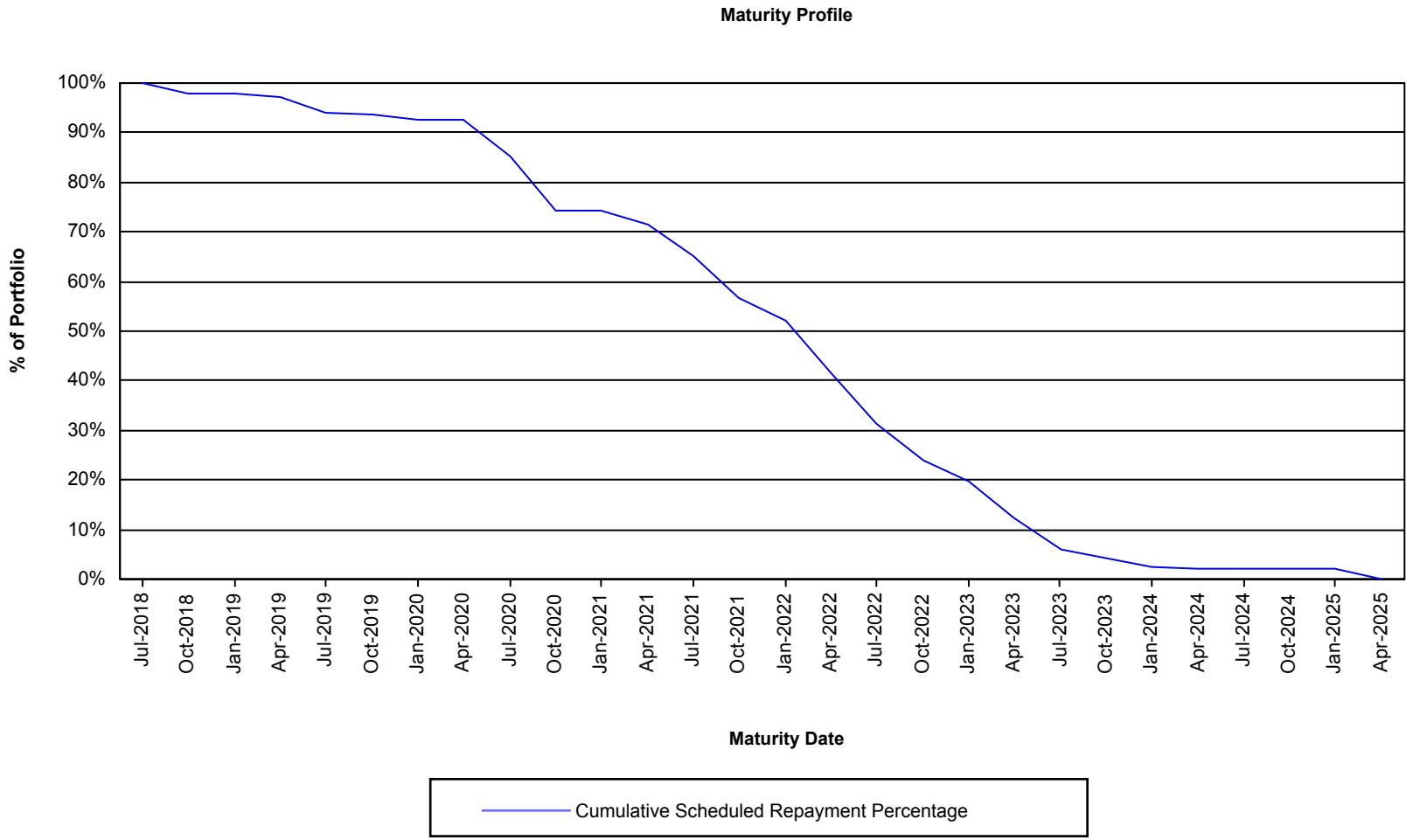
Date	Actual	Trigger	Headroom	Result
31-Mar-2017	6.43%	5.75%	0.68%	Pass
28-Feb-2017	7.59%	5.75%	1.84%	Pass
09-Jan-2017	7.47%	5.75%	1.72%	Pass
30-Dec-2016	7.61%	5.75%	1.86%	Pass
30-Nov-2016	7.75%	5.75%	2.00%	Pass
07-Oct-2016	9.18%	5.75%	3.43%	Pass
30-Sep-2016	8.93%	5.75%	3.18%	Pass
31-Aug-2016	9.42%	5.75%	3.67%	Pass
08-Jul-2016	8.75%	5.75%	3.00%	Pass

Trends



Grosvenor Place CLO 2013-1 B.V.

Maturity Profile as of 31-Mar-2017



Grosvenor Place CLO 2013-1 B.V.

Purchase and Sales Analysis between 01-Mar-2017 and 31-Mar-2017

Trade Date	Settlement Date	Issuer Name	Issue Name	Currency	Trade Amount (CCY)	Trade Quantity (EUR)	Original Trade Price (%)	Premium/ Discount	Net Amount (CCY)	Net Amount
Sale										
21-Mar-2017		FRANS BONHOMME	NEW TERM FACILITY	EUR	5,500,000.00	5,500,000.00	94.3750	-309,375.00	5,190,625.00	5,190,625.00
						5,500,000.00		**-309,375.00**		**5,190,625.00**

Grosvenor Place CLO 2013-1 B.V.

Unsettled Trades as of 31-Mar-2017

Deutsche Bank

Trade Date	Issuer	Facility	Currency	Original Trade Quantity (CCY)	Original Trade Quantity (EUR)	Principal Transaction Trade (CCY)	Principal Transaction Trade (EUR)	Amended Trade Quantity (CCY)	Amended Trade Quantity (EUR)	Price	Premium/ Discount	Net Amount (CCY)	Net Amount (EUR)
Purchase													
08-Dec-2016	REMEDCO HOLDING B.V.	TERM B1	EUR	3,000,000.00	3,000,000.00	337,402.96	337,402.96	2,662,597.04	2,662,597.04	100.250	7,500.00	2,670,097.04	2,670,097.04
					3,000,000.00		**337,402.96**		**2,662,597.04**				**2,670,097.04**
Sale													
26-Oct-2016	CDS HOLDCO III B.V.	NEW FACILITY B	EUR	2,000,000.00	2,000,000.00	178,615.86	178,615.86	1,821,384.14	1,821,384.14	101.375	27,500.00	1,848,884.14	1,848,884.14
27-Oct-2016	ALLNEX (LUXEMBOURG) & CY S.C.A. (MONARCH)	FACILITY B1	EUR	1,000,000.00	1,000,000.00	5,000.00	5,000.00	995,000.00	995,000.00	101.750	17,500.00	1,012,500.00	1,012,500.00
03-Nov-2016	GARDNER DENVER INC	INITIAL EURO TERM LOAN	EUR	2,000,000.00	2,000,000.00	10,309.28	10,309.28	1,989,690.72	1,989,690.72	98.500	-30,000.00	1,959,690.72	1,959,690.72
21-Mar-2017	FRANS BONHOMME	NEW TERM FACILITY	EUR	5,500,000.00	5,500,000.00	0.00	0.00	5,500,000.00	5,500,000.00	94.375	-309,375.00	5,190,625.00	5,190,625.00
					10,500,000.00		**193,925.14**		**10,306,074.86**				**10,011,699.86**

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer / Country / ISIN / CUSIP	Industry Class : Fitch Industry / Moody's Industry	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate (%)	CCY	Floor (%)	PIK Rate (%)	Par Amount (EUR)	Principal Balance (CCY)	Principal Balance (EUR)
1908 ACQUISITION B.V.												
Netherlands	Transportation											
	Transportation – Cargo											
LX139672		FACILITY B	25-Sep-2021	0.000	400.00	4.000	EUR	0.00		8,500,000.00	8,500,000.00	8,500,000.00
ACR II B.V.												
Netherlands	Chemicals											
	Chemicals, Plastics and Rubber											
LX144215		FACILITY B	31-Jul-2022	1.000	425.00	5.250	EUR	1.00		3,000,000.00	3,000,000.00	3,000,000.00
AENOVA HOLDING GMBH												
Germany	Pharmaceuticals											
	Services – Business											
LX139191		FACILITY B	29-Sep-2020	1.000	400.00	5.000	EUR	1.00		5,833,332.65	5,833,332.65	5,833,332.65
AI AVOCADO HOLDING B.V.												
Netherlands	Computers and Electronics											
	Services – Business											
LX153243		FACILITY B2	17-Sep-2021	0.000	450.00	4.500	EUR	0.00		2,000,000.00	2,000,000.00	2,000,000.00
AIRBUS DEFENCE ELECTRONICS												
Germany	Aerospace & Defense											
	Aerospace and Defense											
LX152276		TERM LOAN HYPO	11-May-2023	0.000	375.00	3.750	EUR	0.00		4,312,500.00	4,312,500.00	4,312,500.00
ALTICE FINANCING SA												
Portugal	Telecommunications											
	Media – Broadcasting & Subscription											
LX153089		REFINANCING FACILITY	24-Jul-2023	1.000	300.00	4.000	EUR	1.00		2,962,612.50	2,962,612.50	2,962,612.50
ALTICE LUXEMBURG SA												
France	Broadcasting & Media											
	Media – Broadcasting & Subscription											
XS1117300241		ATCNA 6 1/4	15-Feb-2025			6.250	EUR			2,000,000.00	2,000,000.00	2,000,000.00

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer / Country / ISIN / CUSIP	Industry Class : Fitch Industry / Moody's Industry	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate (%)	CCY	Floor (%)	PIK Rate (%)	Par Amount (EUR)	Principal Balance (CCY)	Principal Balance (EUR)
ANTIN AUDE BIDCO GMBH												
Germany	Healthcare											
	Services – Business											
LX146944		FACILITY B	19-Aug-2022	0.000	475.00	4.750	EUR	0.00		4,000,000.00	4,000,000.00	4,000,000.00
AXIOS BIDCO LIMITED												
United Kingdom	Banking & Finance											
	Services – Business											
LX148737		TERM EUR	30-Nov-2022	0.000	475.00	4.750	EUR	0.00		5,500,000.00	5,500,000.00	5,500,000.00
BISOHO SAS												
France	Retail (General)											
	Retail											
XS1405782662		SMCPFP FLOAT CORP	01-May-2022	0.000	600.00	6.000	EUR			2,100,000.00	2,100,000.00	2,100,000.00
BMC SOFTWARE FINANCE INC												
United States	Computers and Electronics											
	Services – Business											
LX131858		INITIAL FOREIGN TERM LOANS	10-Sep-2020	1.000	450.00	5.500	EUR	1.00		8,464,123.14	8,464,123.14	8,464,123.14
CDS HOLDCO III B.V.												
Netherlands	Broadcasting & Media											
	Media – Broadcasting & Subscription											
LX145356		NEW FACILITY B	30-Jun-2021	0.000	350.00	3.500	EUR	0.00		5,083,013.93	5,083,013.93	5,083,013.93
COHERENT HOLDING GMBH												
Germany	Industrial/Manufacturing											
	Capital Equipment											
LX153899		EURO TERM LOAN	07-Nov-2023	0.750	350.00	4.250	EUR	0.75		950,223.88	950,223.88	950,223.88
CONSTELLIUM NV												
France	Industrial/Manufacturing											
	Metals & Mining											
XS1064882316		CSTMFP 4	15-May-2021			4.625	EUR			4,000,000.00	4,000,000.00	4,000,000.00

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer / Country / ISIN / CUSIP	Industry Class : Fitch Industry / Moody's Industry	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate (%)	CCY	Floor (%)	PIK Rate (%)	Par Amount (EUR)	Principal Balance (CCY)	Principal Balance (EUR)
DIAVERUM HOLDING S.A.R.L.												
Luxembourg	Healthcare											
	Healthcare & Pharmaceuticals											
LX147188		FACILITY C1 FRANCE	01-Apr-2022	0.000	400.00	4.000	EUR	0.00		283,020.52	283,020.52	283,020.52
LX147187		FACILITY C1 LUX	01-Apr-2022	0.000	400.00	4.000	EUR	0.00		1,716,979.48	1,716,979.48	1,716,979.48
DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)												
United States	Pharmaceuticals											
	Services – Business											
LX134989		2015 INCREMENTAL EURO TERM LOANS	11-Mar-2021	1.000	350.00	4.500	EUR	1.00		609,407.50	609,407.50	609,407.50
LX134989		INITIAL EURO TERM LOANS	11-Mar-2021	1.000	350.00	4.500	EUR	1.00		300,080.71	300,080.71	300,080.71
EMERALD 2 LIMITED												
United Kingdom	Environmental Services											
	Services – Business											
LX137157		FACILITY B2	16-May-2021	1.000	400.00	5.000	EUR	1.00		5,500,000.00	5,500,000.00	5,500,000.00
FINANCIERE CEP												
France	Banking & Finance											
	Banking, Finance, Insurance & Real Estate											
LX149339		FACILITY B2	30-Sep-2020	-0.373	450.00	4.127	EUR			6,390,559.06	6,390,559.06	6,390,559.06
LX149025		FACILITY B3	30-Sep-2020	-0.373	450.00	4.127	EUR			1,954,129.96	1,954,129.96	1,954,129.96
FIRST DATA CORPORATION												
United States	Business Services											
	Services – Business											
LX157235		2022C EUR TERM LOAN	08-Jul-2022	-0.398	325.00	2.852	EUR			8,500,000.00	8,500,000.00	8,500,000.00
GARDNER DENVER INC												
United States	Industrial/Manufacturing											
	Capital Equipment											
LX128916		INITIAL EURO TERM LOAN	30-Jul-2020	1.000	375.00	4.750	EUR	1.00		6,061,947.38	6,061,947.38	6,061,947.38

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer / Country / ISIN / CUSIP	Industry Class : Fitch Industry / Moody's Industry	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate (%)	CCY	Floor (%)	PIK Rate (%)	Par Amount (EUR)	Principal Balance (CCY)	Principal Balance (EUR)
GARFUNKELUX HOLDCO 3 SA												
Germany	Banking & Finance											
	Banking, Finance, Insurance & Real Estate											
XS1263891910		GARFUN 7	01-Aug-2022			7.500	EUR			3,320,000.00	3,320,000.00	3,320,000.00
GUALA CLOSURES SPA												
Italy	Packaging & Containers											
	Containers, Packaging and Glass											
XS1516322465		GCLIM FLOAT CORP	15-Nov-2021	0.000	475.00	4.750	EUR			625,000.00	625,000.00	625,000.00
HARVESTER NOTESCO S.A.R.L.												
France	Industrial/Manufacturing											
	Capital Equipment											
LX147752		FACILITY B1	06-Oct-2022	0.000	450.00	4.500	EUR	0.00		3,500,000.00	3,500,000.00	3,500,000.00
HOST EUROPE												
United Kingdom	Computers and Electronics											
	Services – Business											
LX143307		TERM B2 FACILITY	17-Feb-2022	0.000	375.00	3.750	EUR	0.00		7,000,000.00	7,000,000.00	7,000,000.00
HSE24 FINANCE & SERVICE GMBH												
Germany	Retail (General)											
	Retail											
LX155957		FACILITY C	31-Mar-2022	0.000	450.00	4.500	EUR	0.00		2,200,000.00	2,200,000.00	2,200,000.00
INEOS FINANCE PLC												
Switzerland	Chemicals											
	Chemicals, Plastics and Rubber											
LX160309		NEW 2022 EURO TERM LOAN	31-Mar-2022	0.750	250.00	3.250	EUR	0.75		1,486,572.74	1,486,572.74	1,486,572.74
INEOS STYROLUTION GROUP GMBH												
Germany	Chemicals											
	Chemicals, Plastics and Rubber											
LX155052		2021 EURO TERM LOAN HYPO	07-Mar-2024	0.750	250.00	3.250	EUR	0.75		997,500.00	997,500.00	997,500.00

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer / Country / ISIN / CUSIP	Industry Class : Fitch Industry / Moody's Industry	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate (%)	CCY	Floor (%)	PIK Rate (%)	Par Amount (EUR)	Principal Balance (CCY)	Principal Balance (EUR)
INFINITAS												
Netherlands	Broadcasting & Media											
	Media – Advertising, Printing & Publishing											
LX155805		FACILITY B2	03-Feb-2023	0.000	450.00	4.500	EUR	0.00		5,500,000.00	5,500,000.00	5,500,000.00
INTERVIAS FINCO LIMITED												
United Kingdom	Retail (General)											
	Retail											
LX155859		FACILITY C2	30-Jan-2023	0.000	500.00	5.000	EUR	0.00		6,000,000.00	6,000,000.00	6,000,000.00
JACOBS DOUWE EGBERTS INTERNATIONAL B.V												
Netherlands	Food, Beverage, & Tobacco											
	Beverage, Food and Tobacco											
LX155879		TERM LOAN A3	02-Nov-2021	0.000	225.00	2.250	EUR	0.00		3,750,000.00	3,750,000.00	3,750,000.00
LX138200		TERM LOAN B3	01-Jul-2022	0.750	225.00	3.000	EUR	0.75		1,126,842.28	1,126,842.28	1,126,842.28
LOGOPLASTE												
United Kingdom	Packaging & Containers											
	Containers, Packaging and Glass											
LX153526		FACILITY B FRANCE HYPO	03-Nov-2023	0.000	400.00	4.000	EUR			4,000,000.00	4,000,000.00	4,000,000.00
LYNGEN BIDCO AS												
Norway	Computers and Electronics											
	Services – Business											
LX155290		FACILITY B4	13-Mar-2022	0.000	400.00	4.000	EUR	0.00		8,000,000.00	8,000,000.00	8,000,000.00
MATERIS CHRYSO												
France	Chemicals											
	Construction & Building											
LX140009		TERM LOAN	13-Aug-2021	0.000	425.00	4.250	EUR	0.00		8,500,000.00	8,500,000.00	8,500,000.00

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer / Country / ISIN / CUSIP	Industry Class : Fitch Industry / Moody's Industry	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate (%)	CCY	Floor (%)	PIK Rate (%)	Par Amount (EUR)	Principal Balance (CCY)	Principal Balance (EUR)
MATTERHORN TELECOM SA												
Switzerland	Telecommunications											
	Telecommunications											
XS1219465728		MATTER 3 7/8	01-May-2022			3.875	EUR			2,600,000.00	2,600,000.00	2,600,000.00
MEDIARENA ACQUISITION BV												
Netherlands	Broadcasting & Media											
	Media – Broadcasting & Subscription											
LX139557		EURO TERM B LOAN	13-Aug-2021	1.000	600.00	7.000	EUR	1.00		2,603,178.69	2,603,178.69	2,603,178.69
NETINVEST LIMITED												
United Kingdom	Business Services											
	Services – Business											
LX145020		FACILITY B	10-Aug-2022	0.000	375.00	3.750	EUR	0.00		6,000,000.00	6,000,000.00	6,000,000.00
NOVAFIVES SAS												
France	Industrial/Manufacturing											
	Capital Equipment											
XS1028950886		NVFVES 4	30-Jun-2021			4.500	EUR			1,788,000.00	1,788,000.00	1,788,000.00
XS1028951421		NVFVES FLOAT	30-Jun-2020	-0.327	400.00	3.673	EUR			3,878,000.00	3,878,000.00	3,878,000.00
ONEX EAGLE ACQUISITION COMPANY LIMITED												
United Kingdom	Industrial/Manufacturing											
	Capital Equipment											
LX143312		TERM LOAN B TRANCHE 2 EUR	12-Mar-2022	0.000	400.00	4.000	EUR	0.00		6,500,000.00	6,500,000.00	6,500,000.00
PICARD GROUPE S.A.S.												
France	Food & Drug Retail											
	Retail											
XS0956139264		PICSUR FLOAT-15	01-Aug-2019	0.000	425.00	4.250	EUR			1,408,759.12	1,408,759.12	1,408,759.12
PLATFORM SPECIALITY PRODUCTS CORPORATION												
United States	Chemicals											
	Chemicals, Plastics and Rubber											
XS1175224747		PAH 6	01-Feb-2023			6.000	EUR			2,000,000.00	2,000,000.00	2,000,000.00

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer Country ISIN / CUSIP	Industry Class : Fitch Industry Moody's Industry	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate (%)	CCY	Floor (%)	PIK Rate (%)	Par Amount (EUR)	Principal Balance (CCY)	Principal Balance (EUR)
PORTAVENTURA												
Spain	Gaming, Leisure & Entertainment											
	Hotel, Gaming & Leisure											
XS0982712019		PORTAV FLOAT	01-Dec-2019	-0.329	562.50	5.296	EUR			600,000.00	600,000.00	600,000.00
PROGROUP AG												
Germany	Packaging & Containers											
	Containers, Packaging and Glass											
DE000A161GE9		PROGRP FLOAT	01-May-2022	-0.328	450.00	4.172	EUR			300,000.00	300,000.00	300,000.00
PROMONTORIA MCS SAS												
France	Banking & Finance											
	Banking, Finance, Insurance & Real Estate											
XS1496169001		MCSGRP FLOAT 09/30/21 CORP	30-Sep-2021	0.000	575.00	5.750	EUR			500,000.00	500,000.00	500,000.00
RAET												
Netherlands	Business Services											
	Services – Business											
LX145274		TERM LOAN B	09-Apr-2021	0.000	425.00	4.250	EUR	0.00		7,142,857.14	7,142,857.14	7,142,857.14
REMEDCO HOLDING B.V.												
Germany	Healthcare											
	Healthcare & Pharmaceuticals											
LX148262		TERM B1	27-Oct-2022	0.000	550.00	5.500	EUR	0.00		6,710,847.38	6,710,847.38	6,710,847.38
REYNOLDS GROUP HOLDINGS												
United States	Packaging & Containers											
	Containers, Packaging and Glass											
LX159203		2017 INCREMENTAL EUR TERM LOAN	05-Feb-2023	0.000	350.00	3.500	EUR	0.00		1,492,509.37	1,492,509.37	1,492,509.37
SCANDLINES APS												
Denmark	Transportation											
	Transportation – Consumer											
LX133147		FACILITY A	03-Dec-2019	0.000	375.00	3.750	EUR	0.00		2,672,169.81	2,672,169.81	2,672,169.81

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer / Country / ISIN / CUSIP	Industry Class : Fitch Industry / Moody's Industry	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate (%)	CCY	Floor (%)	PIK Rate (%)	Par Amount (EUR)	Principal Balance (CCY)	Principal Balance (EUR)
SCHENCK PROCESS FINANCE GMBH												
Germany	Industrial/Manufacturing											
	Capital Equipment											
LX152255		FACILITY B EUR	13-May-2022	0.750	550.00	6.250	EUR	0.75		8,500,000.00	8,500,000.00	8,500,000.00
SNAI SPA												
Italy	Gaming, Leisure & Entertainment											
	Hotel, Gaming & Leisure											
XS1513692357		SNAIM FLOAT 11/07/21 CORP	07-Nov-2021	0.000	600.00	6.000	EUR			1,650,000.00	1,650,000.00	1,650,000.00
SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)												
Germany	Broadcasting & Media											
	Media – Broadcasting & Subscription											
LX143524		TERM LOAN B8	14-Aug-2020	1.000	350.00	4.500	EUR	1.00		893,164.58	893,164.58	893,164.58
LX153230		TERM LOAN HYPO	14-Aug-2020	0.500	325.00	3.750	EUR	0.50		2,089,500.00	2,089,500.00	2,089,500.00
SYNLAB BONDCO PLC												
France	Business Services											
	Services – Business											
XS1516322200		LABFP FLOAT CORP	01-Jul-2022	0.000	350.00	3.500	EUR			6,450,000.00	6,450,000.00	6,450,000.00
TACKLE SARL												
Luxembourg	Gaming, Leisure & Entertainment											
	Hotel, Gaming & Leisure											
LX161574		FACILITY B HYPO	08-Aug-2022	0.000	350.00	3.500	EUR	0.00		1,500,000.00	1,500,000.00	1,500,000.00
TAGHLEEF INDUSTRIES TOPCO LIMITED												
Germany	Packaging & Containers											
	Containers, Packaging and Glass											
LX152515		FACILITY B	10-May-2023	0.000	450.00	4.500	EUR	0.00		2,400,000.00	2,400,000.00	2,400,000.00

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer / Country / ISIN / CUSIP	Industry Class : Fitch Industry / Moody's Industry	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate (%)	CCY	Floor (%)	PIK Rate (%)	Par Amount (EUR)	Principal Balance (CCY)	Principal Balance (EUR)
TELENET INTERNATIONAL FINANCE S.A.R.L.												
Belgium	Telecommunications											
	Telecommunications											
LX156207		TERM LOAN FACILITY AE	31-Jan-2025	0.000	325.00	3.250	EUR	0.00		3,000,000.00	3,000,000.00	3,000,000.00
TRIONISTA HOLDCO GMBH												
Germany	Business Services											
	Services – Business											
LX143931		B1A3 TERM FACILITY	30-Apr-2020	0.000	300.00	3.000	EUR	0.00		2,087,542.91	2,087,542.91	2,087,542.91
LX144052		B1B3 TERM FACILITY	30-Apr-2020	0.000	300.00	3.000	EUR	0.00		150,336.16	150,336.16	150,336.16
LX143932		B1C3 TERM FACILITY	30-Apr-2020	0.000	300.00	3.000	EUR	0.00		730,562.18	730,562.18	730,562.18
LX144054		B1E3 TERM FACILITY	30-Apr-2020	0.000	300.00	3.000	EUR	0.00		345,495.12	345,495.12	345,495.12
TWIN SET												
Italy	Retail (General)											
	Retail											
XS1086778641		TWSSBS FLOAT	15-Jul-2019	-0.327	587.50	5.548	EUR			8,780,000.00	8,780,000.00	8,780,000.00
UMV GLOBAL FOODS COMPANY LTD												
United Kingdom	Food, Beverage, & Tobacco											
	Beverage, Food and Tobacco											
LX142370		FACILITY B2A	19-Nov-2021	0.000	375.00	3.750	EUR	0.00		5,463,396.50	5,463,396.50	5,463,396.50
VERITAS US INC												
United States	Business Services											
	Chemicals, Plastics and Rubber											
LX151041		INITIAL EURO TERM B-1	27-Jan-2023	1.000	562.50	6.625	EUR	1.00		6,094,703.01	6,094,703.01	6,094,703.01
XS1357678322		VERITS 7 02/01/23 CORP	01-Feb-2023			7.500	EUR			500,000.00	500,000.00	500,000.00
VRX ESCROW CORPORATION												
United States	Pharmaceuticals											
	Healthcare & Pharmaceuticals											
XS1205619288		VRXCN 4	15-May-2023			4.500	EUR			4,000,000.00	4,000,000.00	4,000,000.00

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer / Country / ISIN / CUSIP	Industry Class : Fitch Industry / Moody's Industry	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate (%)	CCY	Floor (%)	PIK Rate (%)	Par Amount (EUR)	Principal Balance (CCY)	Principal Balance (EUR)
VUE INTERNATIONAL BIDCO												
United Kingdom	Gaming, Leisure & Entertainment											
	Hotel, Gaming & Leisure											
XS1135437280		VEUCIN FLOAT	15-Jul-2020	-0.327	525.00	4.923	EUR			7,000,000.00	7,000,000.00	7,000,000.00
VWR FUNDING INC												
United States	Healthcare											
	Healthcare & Pharmaceuticals											
LX157040		TERM LOAN B 2	18-Jan-2022	0.000	300.00	3.000	EUR	0.00		1,766,489.63	1,766,489.63	1,766,489.63
WESTERN DIGITAL CORP												
United States	Computers and Electronics											
	High Tech Industries											
LX155051		EURO TERM B-2 LOAN	28-Apr-2023	0.750	200.00	2.750	EUR	0.75		7,940,100.00	7,940,100.00	7,940,100.00
WIND ACQUISITION FINANCE SA												
Italy	Telecommunications											
	Telecommunications											
XS1082635712		WINDIM FLOAT-15	15-Jul-2020	-0.327	400.00	3.673	EUR			7,000,000.00	7,000,000.00	7,000,000.00
WITTUR HOLDING GMBH												
Germany	Industrial/Manufacturing											
	Capital Equipment											
LX142830		FACILITY B2	31-Mar-2022	1.000	500.00	6.000	EUR	1.00		3,000,000.00	3,000,000.00	3,000,000.00
XELLA INTERNATIONAL GMBH												
Germany	Building & Materials											
	Construction & Building											
LX144550		FACILITY G	29-Mar-2019	0.000	300.00	3.000	EUR	0.00		2,000,000.00	2,000,000.00	2,000,000.00
XPO LOGISTICS INC												
United States	Transportation											
	Transportation – Cargo											
XS1117295060		XPO 5 3/4	15-Jun-2021			5.750	EUR			2,000,000.00	2,000,000.00	2,000,000.00

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Issuer / Country / ISIN / CUSIP	Industry Class : Fitch Industry / Moody's Industry	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate (%)	CCY	Floor (%)	PIK Rate (%)	Par Amount (EUR)	Principal Balance (CCY)	Principal Balance (EUR)
YELLOW MAPLE HOLDING B.V.												
Netherlands	Business Services											
	Services – Business											
LX154204		FACILITY B5	23-Sep-2021	0.000	350.00	3.500	EUR	0.00		3,000,000.00	3,000,000.00	3,000,000.00
YPSO HOLDING SA												
France	Telecommunications											
	Media – Broadcasting & Subscription											
LX155720		EUR TERM LOAN B-10	30-Jan-2025	0.750	300.00	3.750	EUR	0.75		997,500.00	997,500.00	997,500.00
LX153091		EURO TERM LOAN B9	31-Jul-2023	0.750	325.00	4.000	EUR	0.75		2,463,893.69	2,463,893.69	2,463,893.69
												284,026,851.02

Grosvenor Place CLO 2013-1 B.V.

Defaulted Assets as of 31-Mar-2017

Issuer / Country	Industry Class : Fitch Industry / Moody's Industry	Tranche	Security ID	Loan X ID	Default Date	Fitch Rating	Moody's Rating	Par Amount (EUR)	Fitch Recovery Rate (%)	Moody's Recovery Rate (%)	Market Value (%)	CCY	Principal Balance (EUR)
PAW LUXCO II S.A.R.L	Retail (General)												
Germany	Retail												
		FACILITY B	LX121462	LX121462	14-Nov-2016	Shadow	Shadow	4,250,110.83	Shadow	Shadow	51.000	EUR	1,912,549.88
		FACILITY B	LX121462	LX121462	14-Nov-2016	Shadow	Shadow	2,123,699.41	Shadow	Shadow	51.000	EUR	955,664.74
								6,373,810.24					**2,868,214.62**

Grosvenor Place CLO 2013-1 B.V.

Discount Obligations as of 31-Mar-2017

Issuer Name	Industry Class : Fitch Industry / Moody's Industry	Issue Name	Security ID	Maturity Date	Moody's Rating	Fitch Rating	Market Price (%)	Price (%)	CCY	Principal Balance (EUR)
Country										

Nothing to report

Grosvenor Place CLO 2013-1 B.V.

Amortisations - Loans between 01-Mar-2017 and 31-Mar-2017

Amortisation Date	Issuer	Facility	Security ID	CCY	Amortisation Amount (CCY)	Amortisation Amount
23-Mar-2017	CLAUDIUS FINANCE SARL	FACILITY B4		EUR	597,413.79	597,413.79
29-Mar-2017	ALU HOLDCO 2 LIMITED	TRANCHE B		EUR	5,500,000.00	5,500,000.00
29-Mar-2017	CLAUDIUS FINANCE SARL	FACILITY B3		EUR	1,979,045.31	1,979,045.31
30-Mar-2017	TECHNICOLOR S.A.	TERM LOAN EUR		EUR	1,666,916.98	1,666,916.98
31-Mar-2017	ALLNEX (LUXEMBOURG) & CY S.C.A. (MONARCH)	FACILITY B1		EUR	2,500.00	2,500.00
31-Mar-2017	BMC SOFTWARE FINANCE INC	INITIAL FOREIGN TERM LOANS		EUR	31,700.84	31,700.84
31-Mar-2017	FINANCIERE CEP	FACILITY B2		EUR	4,970.86	4,970.86
31-Mar-2017	FINANCIERE CEP	FACILITY B3		EUR	1,520.01	1,520.01
31-Mar-2017	COHERENT HOLDING GMBH	EURO TERM LOAN		EUR	47,276.12	47,276.12
31-Mar-2017	DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)	2015 INCREMENTAL EURO TERM LOANS		EUR	1,566.60	1,566.60
31-Mar-2017	DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)	INITIAL EURO TERM LOANS		EUR	771.42	771.42
31-Mar-2017	GARDNER DENVER INC	INITIAL EURO TERM LOAN		EUR	20,859.17	20,859.17
31-Mar-2017	INEOS FINANCE PLC	NEW 2022 EURO TERM LOAN		EUR	3,725.75	3,725.75
31-Mar-2017	MEDIARENA ACQUISITION BV	EURO TERM B LOAN		EUR	5,730.59	5,730.59
31-Mar-2017	REYNOLDS GROUP HOLDINGS	2017 INCREMENTAL EUR TERM LOAN		EUR	3,740.63	3,740.63
31-Mar-2017	SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	INITIAL TERM B10 LOAN		EUR	5,250.00	5,250.00
31-Mar-2017	SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN B8		EUR	998.04	998.04
31-Mar-2017	SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN B8		EUR	33.71	33.71
31-Mar-2017	SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN B8		EUR	1,246.73	1,246.73
31-Mar-2017	VERITAS US INC	INITIAL EURO TERM B-1		EUR	15,390.67	15,390.67
31-Mar-2017	VWR FUNDING INC	TERM LOAN B 2		EUR	4,438.42	4,438.42
31-Mar-2017	WESTERN DIGITAL CORP	EURO TERM B-2 LOAN		EUR	19,900.00	19,900.00
						9,914,995.64

Grosvenor Place CLO 2013-1 B.V.

Amortisations - Bonds between 01-Mar-2017 and 31-Mar-2017

ISIN / CUSIP	Issuer	Obligation	Amortisation Date	CCY	Outstanding Principal at Start of Reporting Period	Amortisation Amount	Outstanding Principal at End of Reporting Period
XS1076527875	DRY MIX SOLUTIONS INVESTISSEMENTS SAS	DRYMIX FLOAT 21	15-Mar-2017	EUR	8,500,000.00	8,500,000.00	0.00

Grosvenor Place CLO 2013-1 B.V.

Public Issuer Rating Changes between 01-Mar-2017 and 31-Mar-2017

Issuer	Rating Agency	Prior Rating	Prior Rating Date	Prior Credit Watch	Current Rating	Current Rating Date	Current Credit Watch
Upgrade							
INEOS STYROLUTION GROUP GMBH	Moody's	B1	15-Sep-2016		Ba3	06-Mar-2017	
INEOS STYROLUTION HOLDINGS LTD	Moody's	B1	15-Dec-2016	Stable Outlook	Ba3	06-Mar-2017	Stable Outlook
Upgrade							
JACOBS DOUWE EGBERTS HOLDINGS B.V	Moody's	Ba3	04-May-2016	Stable Outlook	Ba2	31-Mar-2017	Stable Outlook
JACOBS DOUWE EGBERTS INTERNATIONAL B.V	Moody's	Ba3	05-Dec-2013		Ba2	31-Mar-2017	

Grosvenor Place CLO 2013-1 B.V.

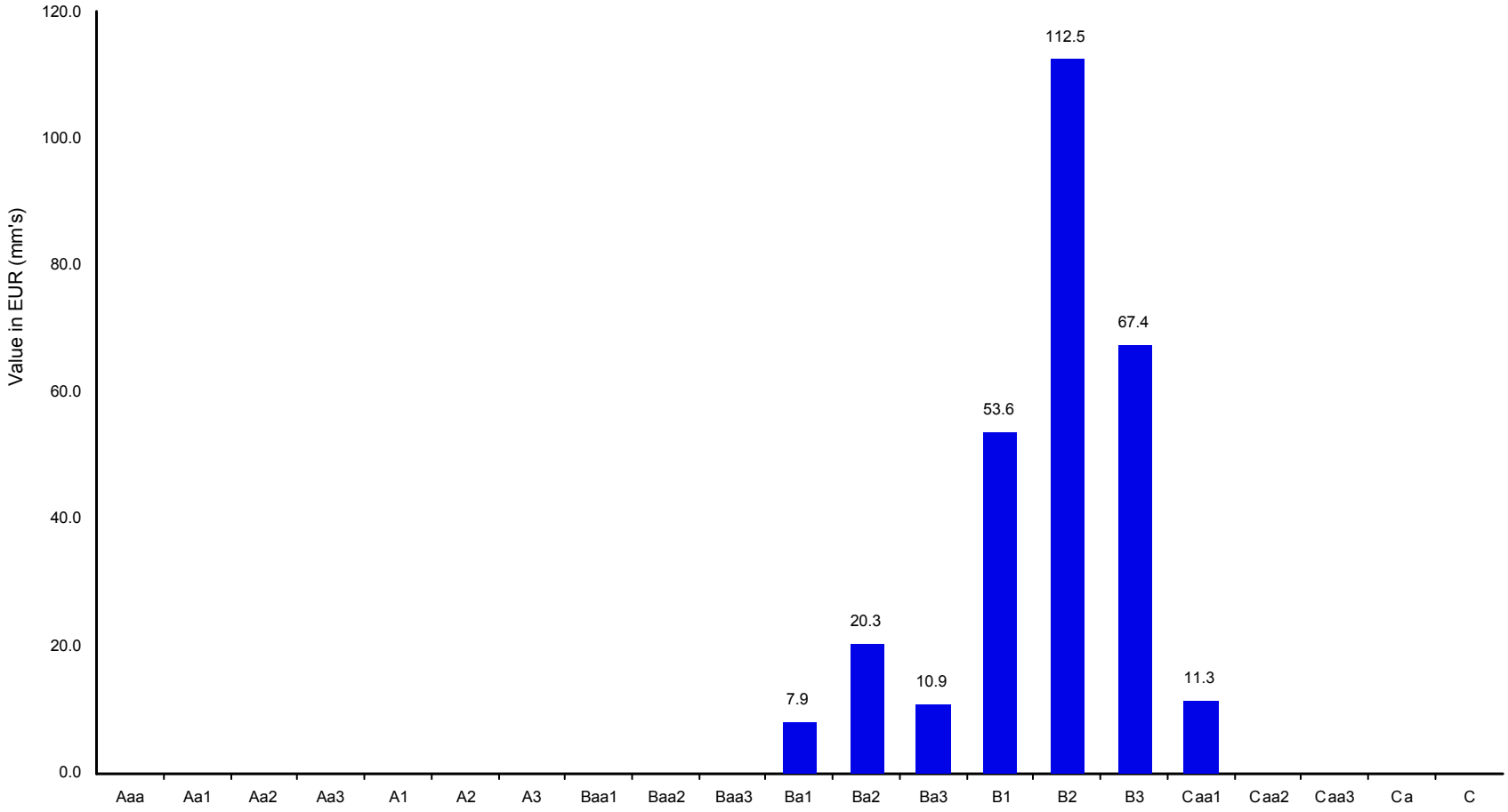
Sub-Participation Counterparty Exposure as of 31-Mar-2017

CounterParty Name	CounterParty Rating			Obligation	Maturity Date	All In Interest Rate (%)	Coupon Margin (bps)	Funded Amount	Principal Balance (EUR)
	Moody's	S&P	Fitch						

Nothing to report

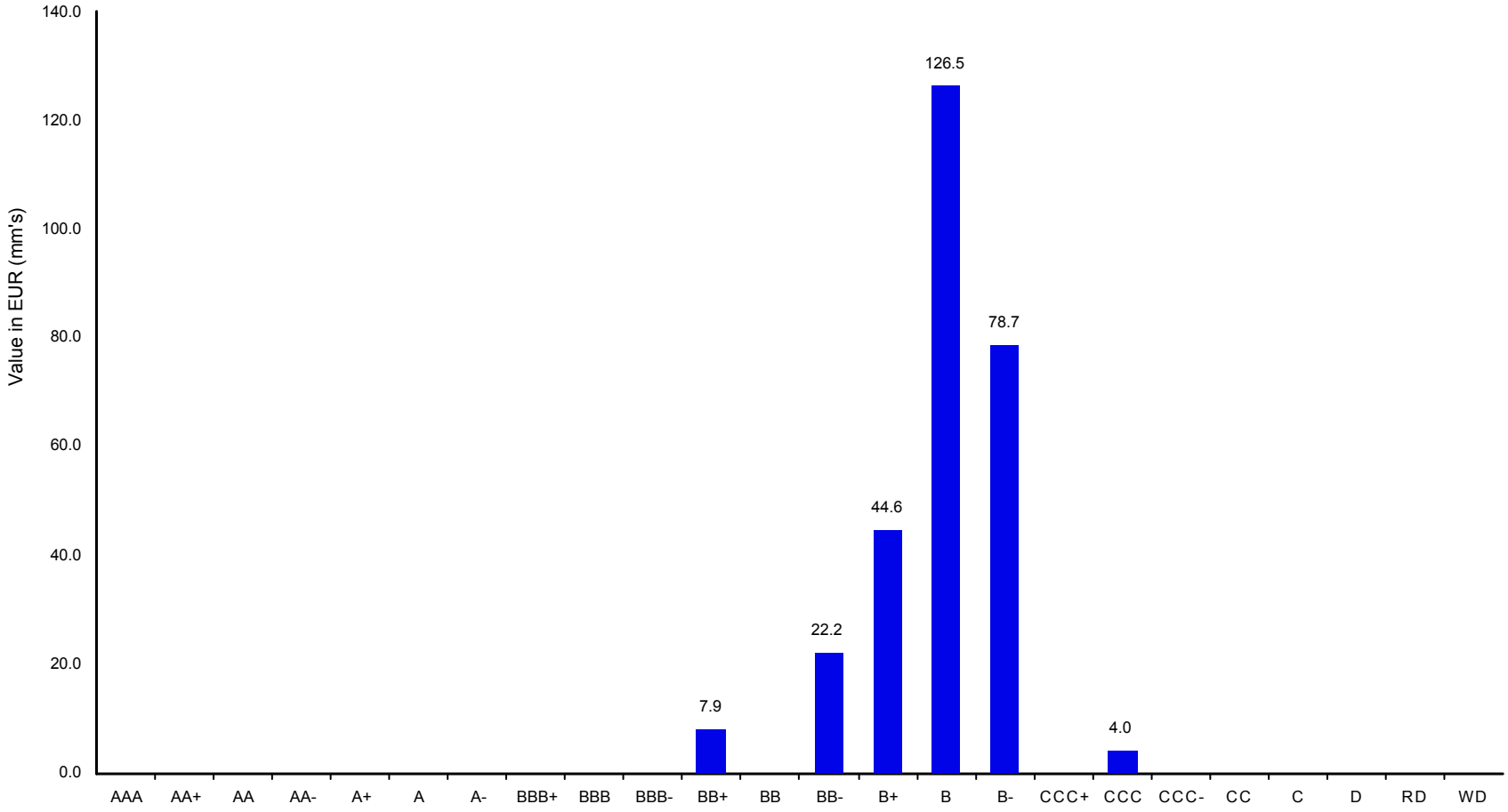
Grosvenor Place CLO 2013-1 B.V.

Graph: By Moody Rating as of 31-Mar-2017



Grosvenor Place CLO 2013-1 B.V.

Graph: By Fitch Rating as of 31-Mar-2017

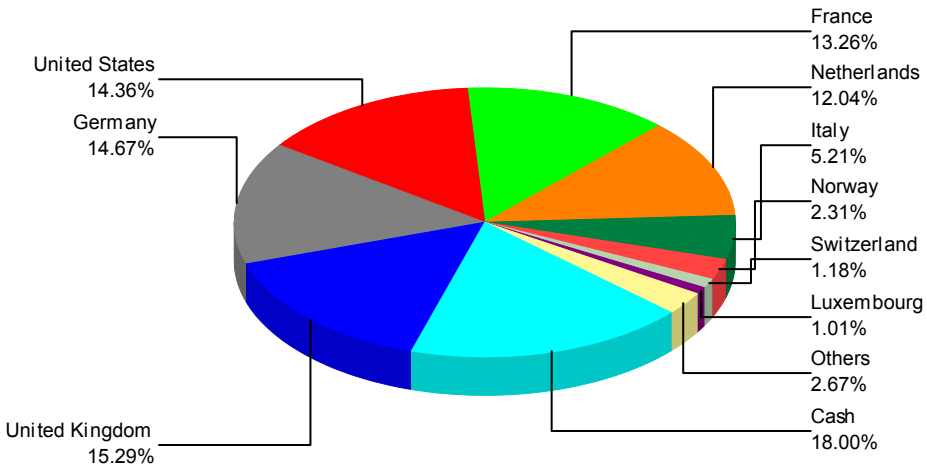


Grosvenor Place CLO 2013-1 B.V.

Graphic - Obligor By Country With Cash as of 31-Mar-2017

Deutsche Bank

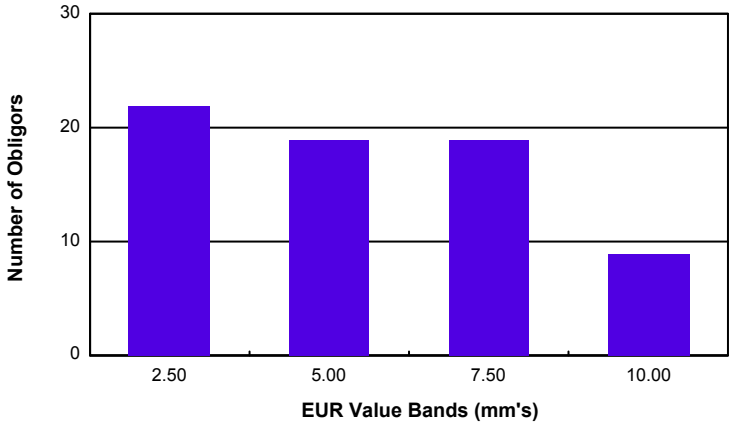
Geographical Split By Country



Others Include

Spain	0.17
Denmark	0.77
Portugal	0.86
Belgium	0.87

Obligor Count Split in 2.5 Million EUR Bands



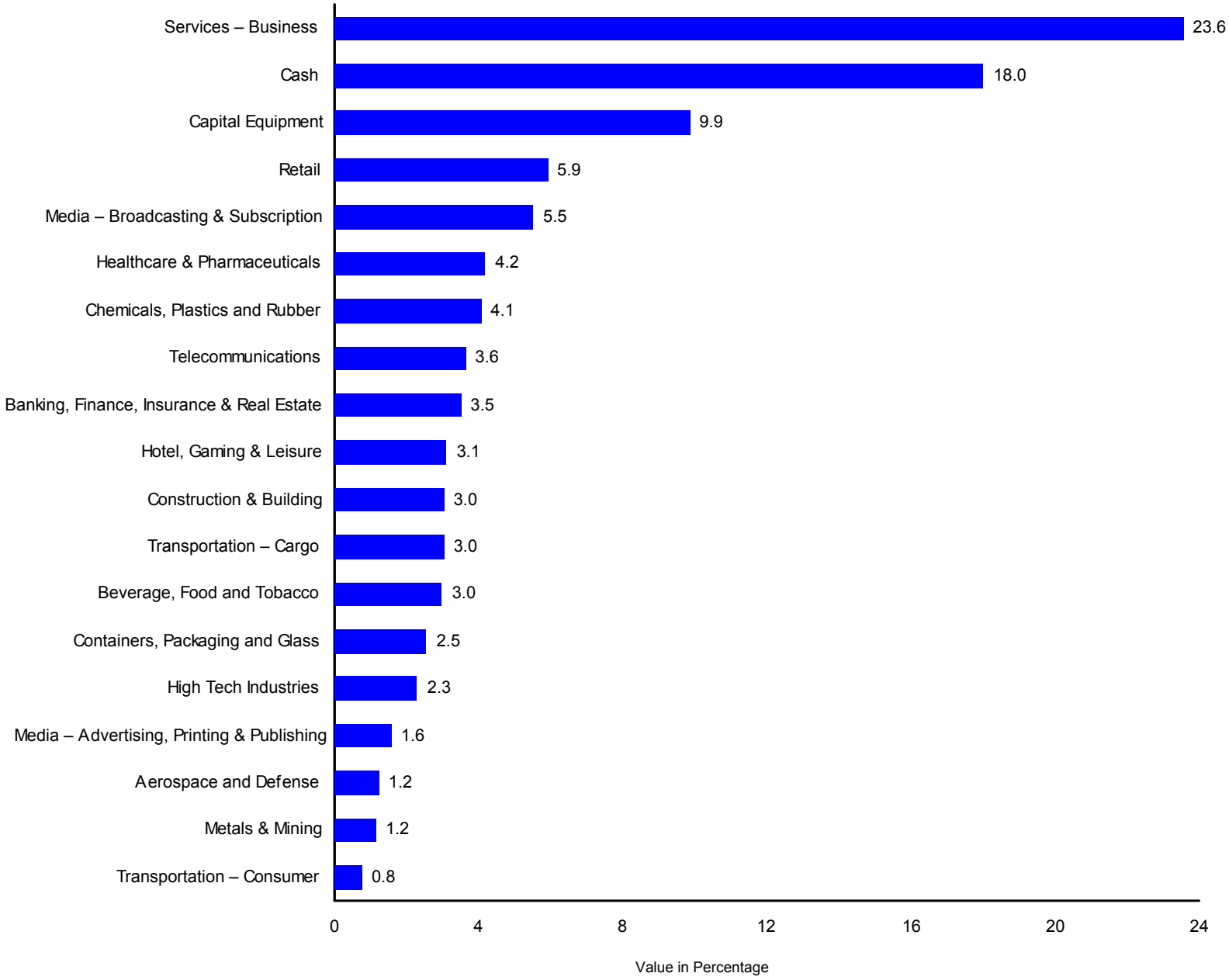
The values are grouped within their band floor amount (mm) as shown on the x-axis

Top 10 Obligors

Obligor	Balance (mm's) (EUR)	Portfolio
TWIN SET	8.8	2.49%
1908 ACQUISITION B.V.	8.5	2.41%
FIRST DATA CORPORATION	8.5	2.41%
MATERIS CHRYSO	8.5	2.41%
SCHENCK PROCESS FINANCE GMBH	8.5	2.41%
BMC SOFTWARE FINANCE INC	8.5	2.40%
CEP	8.3	2.37%
LYNGEN MIDCO AS	8.0	2.27%
WESTERN DIGITAL CORP	7.9	2.25%
RAET	7.1	2.02%

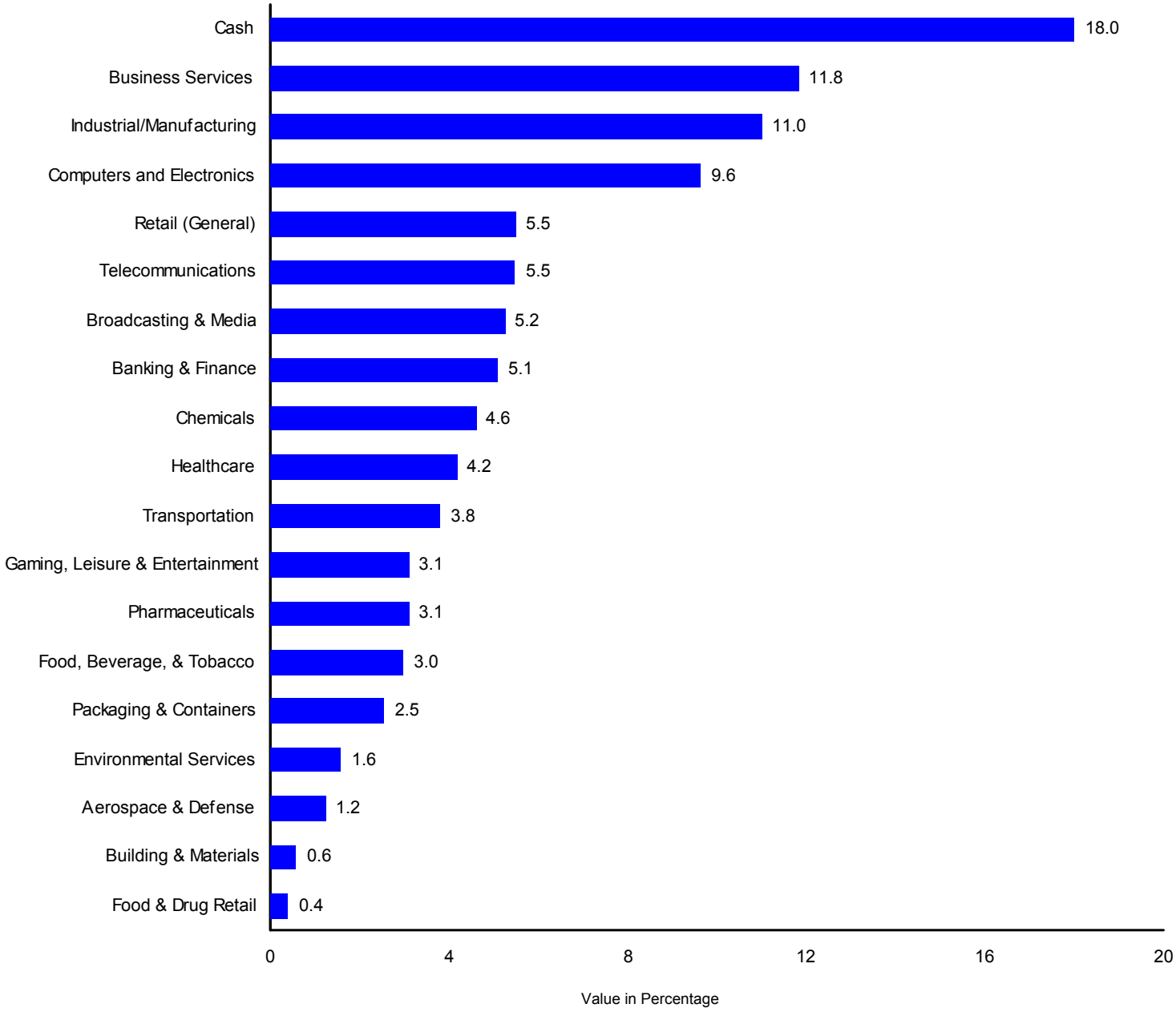
Grosvenor Place CLO 2013-1 B.V.

Assets by Moody's Industry as of 31-Mar-2017



Grosvenor Place CLO 2013-1 B.V.

Assets by Fitch Industry as of 31-Mar-2017



Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	ISIN / CUSIP	Moody's Rating	Moody's Rating Factor	Moodys Recovery	Fitch Rating	Fitch Recovery
1908 ACQUISITION B.V.	FACILITY B	LX139672	Shadow	-	Shadow	Shadow	Shadow
ACR II B.V.	FACILITY B	LX144215	Shadow	-	Shadow	Shadow	Shadow
AENOVA HOLDING GMBH	FACILITY B	LX139191	Caa1	4,770	50.00	Shadow	Shadow
AENOVA HOLDING GMBH	FACILITY B	LX139191	Caa1	4,770	50.00	Shadow	Shadow
AENOVA HOLDING GMBH	FACILITY B	LX139191	Caa1	4,770	50.00	Shadow	Shadow
AENOVA HOLDING GMBH	FACILITY B	LX139191	Caa1	4,770	50.00	Shadow	Shadow
AENOVA HOLDING GMBH	FACILITY B	LX139191	Caa1	4,770	50.00	Shadow	Shadow
AI AVOCADO HOLDING B.V.	FACILITY B2	LX153243	B2	2,720	45.00	Shadow	Shadow
AIRBUS DEFENCE ELECTRONICS	TERM LOAN HYPO	LX152276	Shadow	-	Shadow	Shadow	Shadow
ALTICE FINANCING SA	REFINANCING FACILITY	LX153089	B1	2,220	45.00	Shadow	Shadow
ALTICE LUXEMBURG SA	ATCNA 6 1/4	XS1117300241	B1	2,220	15.00	Shadow	Shadow
ANTIN AUDE BIDCO GMBH	FACILITY B	LX146944	Shadow	-	Shadow	Shadow	Shadow
AXIOS BIDCO LIMITED	TERM EUR	LX148737	Shadow	-	Shadow	Shadow	Shadow
AXIOS BIDCO LIMITED	TERM EUR	LX148737	Shadow	-	Shadow	Shadow	Shadow
BISOHO SAS	SMCPFP FLOAT CORP	XS1405782662	B2	2,720	35.00	Shadow	Shadow
BMC SOFTWARE FINANCE INC	INITIAL FOREIGN TERM LOANS	LX131858	B3	3,490	60.00	Shadow	Shadow
CDS HOLDCO III B.V.	NEW FACILITY B	LX145356	Shadow	-	Shadow	Shadow	Shadow
COHERENT HOLDING GMBH	EURO TERM LOAN	LX153899	Ba2	1,350	45.00	Shadow	Shadow
CONSTELLIUM NV	CSTMFP 4	XS1064882316	B3	3,490	25.00	Shadow	Shadow
DIAVERUM HOLDING S.A.R.L.	FACILITY C1 FRANCE	LX147188	Shadow	-	Shadow	Shadow	Shadow
DIAVERUM HOLDING S.A.R.L.	FACILITY C1 LUX	LX147187	Shadow	-	Shadow	Shadow	Shadow
DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)	2015 INCREMENTAL EURO TERM LOANS	LX134989	B3	3,490	50.00	Shadow	Shadow
DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)	INITIAL EURO TERM LOANS	LX134989	B3	3,490	50.00	Shadow	Shadow
EMERALD 2 LIMITED	FACILITY B2	LX137157	Shadow	-	Shadow	Shadow	Shadow
EMERALD 2 LIMITED	FACILITY B2	LX137157	Shadow	-	Shadow	Shadow	Shadow
EMERALD 2 LIMITED	FACILITY B2	LX137157	Shadow	-	Shadow	Shadow	Shadow
EMERALD 2 LIMITED	FACILITY B2	LX137157	Shadow	-	Shadow	Shadow	Shadow
FINANCIERE CEP	FACILITY B2	LX149339	Shadow	-	Shadow	Shadow	Shadow
FINANCIERE CEP	FACILITY B3	LX149025	Shadow	-	Shadow	Shadow	Shadow
FIRST DATA CORPORATION	2022C EUR TERM LOAN	LX157235	B1	2,220	50.00	B+	95.00
GARDNER DENVER INC	INITIAL EURO TERM LOAN	LX128916	B3	3,490	50.00	Shadow	Shadow
GARFUNKELUX HOLDCO 3 SA	GARFUN 7	XS1263891910	B2	2,720	35.00	Shadow	Shadow
GUALA CLOSURES SPA	GCLIM FLOAT CORP	XS1516322465	B2	2,720	35.00	Shadow	Shadow
HARVESTER NOTESCO S.A.R.L.	FACILITY B1	LX147752	Shadow	-	Shadow	Shadow	Shadow

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	ISIN / CUSIP	Moody's Rating	Moody's Rating Factor	Moodys Recovery	Fitch Rating	Fitch Recovery
HARVESTER NOTESCO S.A.R.L.	FACILITY B1	LX147752	Shadow	-	Shadow	Shadow	Shadow
HARVESTER NOTESCO S.A.R.L.	FACILITY B1	LX147752	Shadow	-	Shadow	Shadow	Shadow
HOST EUROPE	TERM B2 FACILITY	LX143307	Shadow	-	Shadow	Shadow	Shadow
HOST EUROPE	TERM B2 FACILITY	LX143307	Shadow	-	Shadow	Shadow	Shadow
HOST EUROPE	TERM B2 FACILITY	LX143307	Shadow	-	Shadow	Shadow	Shadow
HOST EUROPE	TERM B2 FACILITY	LX143307	Shadow	-	Shadow	Shadow	Shadow
HSE24 FINANCE & SERVICE GMBH	FACILITY C	LX155957	Shadow	-	Shadow	Shadow	Shadow
INEOS FINANCE PLC	NEW 2022 EURO TERM LOAN	LX160309	Ba3	1,766	50.00	Shadow	Shadow
INEOS STYROLUTION GROUP GMBH	2021 EURO TERM LOAN HYPO	LX155052	Ba3	1,766	45.00	Shadow	Shadow
INFINITAS	FACILITY B2	LX155805	Shadow	-	Shadow	Shadow	Shadow
INFINITAS	FACILITY B2	LX155805	Shadow	-	Shadow	Shadow	Shadow
INTERVIAS FINCO LIMITED	FACILITY C2	LX155859	B2	2,720	45.00	Shadow	Shadow
JACOBS DOUWE EGBERTS INTERNATIONAL B.V	TERM LOAN B3	LX138200	Ba2	1,350	45.00	Shadow	Shadow
JACOBS DOUWE EGBERTS INTERNATIONAL B.V	TERM LOAN A3	LX155879	Ba2	1,350	45.00	Shadow	Shadow
LOGOPLASTE	FACILITY B FRANCE HYPO	LX153526	Shadow	-	Shadow	Shadow	Shadow
LYNGEN BIDCO AS	FACILITY B4	LX155290	B1	2,220	45.00	Shadow	Shadow
MATERIS CHRYSO	TERM LOAN	LX140009	Shadow	-	Shadow	Shadow	Shadow
MATERIS CHRYSO	TERM LOAN	LX140009	Shadow	-	Shadow	Shadow	Shadow
MATTERHORN TELECOM SA	MATTER 3 7/8	XS1219465728	B2	2,720	35.00	Shadow	Shadow
MEDIARENA ACQUISITION BV	EURO TERM B LOAN	LX139557	B3	3,490	50.00	Shadow	Shadow
NETINVEST LIMITED	FACILITY B	LX145020	Ba2	1,350	45.00	Shadow	Shadow
NOVAFIVES SAS	NVFVES 4	XS1028950886	B2	2,720	25.00	Shadow	Shadow
NOVAFIVES SAS	NVFVES FLOAT	XS1028951421	B2	2,720	25.00	Shadow	Shadow
ONEX EAGLE ACQUISITION COMPANY LIMITED	TERM LOAN B TRANCHE 2 EUR	LX143312	B2	2,720	45.00	Shadow	Shadow
PAW LUXCO II S.A.R.L	FACILITY B	LX121462	Shadow	-	Shadow	Shadow	Shadow
PAW LUXCO II S.A.R.L	FACILITY B	LX121462	Shadow	-	Shadow	Shadow	Shadow
PICARD GROUPE S.A.S.	PICSUR FLOAT-15	XS0956139264	B2	2,720	45.00	Shadow	Shadow
PLATFORM SPECIALITY PRODUCTS CORPORATION	PAH 6	XS1175224747	B2	2,720	15.00	Shadow	Shadow
PORTAVENTURA	PORTAV FLOAT	XS0982712019	B3	3,490	35.00	Shadow	Shadow
PROGROUP AG	PROGRP FLOAT	DE000A161GE9	Ba3	1,766	45.00	Shadow	Shadow
PROMONTORIA MCS SAS	MCSGRP FLOAT 09/30/21 CORP	XS1496169001	B2	2,720	35.00	Shadow	Shadow
RAET	TERM LOAN B	LX145274	Shadow	-	Shadow	Shadow	Shadow

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	ISIN / CUSIP	Moody's Rating	Moody's Rating Factor	Moodys Recovery	Fitch Rating	Fitch Recovery
REMEDCO HOLDING B.V.	TERM B1	LX148262	Shadow	-	Shadow	Shadow	Shadow
REYNOLDS GROUP HOLDINGS	2017 INCREMENTAL EUR TERM LOAN	LX159203	B3	3,490	50.00	Shadow	Shadow
SCANDLINES APS	FACILITY A	LX133147	Ba3	1,766	45.00	Shadow	Shadow
SCHENCK PROCESS FINANCE GMBH	FACILITY B EUR	LX152255	Shadow	-	Shadow	Shadow	Shadow
SCHENCK PROCESS FINANCE GMBH	FACILITY B EUR	LX152255	Shadow	-	Shadow	Shadow	Shadow
SCHENCK PROCESS FINANCE GMBH	FACILITY B EUR	LX152255	Shadow	-	Shadow	Shadow	Shadow
SNAI SPA	SNAIM FLOAT 11/07/21 CORP	XS1513692357	B2	2,720	35.00	Shadow	Shadow
SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN HYPO	LX153230	B2	2,720	45.00	Shadow	Shadow
SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN B8	LX143524	B2	2,720	45.00	Shadow	Shadow
SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN B8	LX143524	B2	2,720	45.00	Shadow	Shadow
SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN B8	LX143524	B2	2,720	45.00	Shadow	Shadow
SYNLAB BONDCO PLC	LABFP FLOAT CORP	XS1516322200	B2	2,720	35.00	B	60.00
TACKLE SARL	FACILITY B HYPO	LX161574	Shadow	-	Shadow	Shadow	Shadow
TAGHLEEF INDUSTRIES TOPCO LIMITED	FACILITY B	LX152515	Ba3	1,766	45.00	Shadow	Shadow
TELENET INTERNATIONAL FINANCE S.A.R.L.	TERM LOAN FACILITY AE	LX156207	Ba3	1,766	45.00	BB-	80.00
TRIONISTA HOLDCO GMBH	B1A3 TERM FACILITY	LX143931	B1	2,220	50.00	Shadow	Shadow
TRIONISTA HOLDCO GMBH	B1B3 TERM FACILITY	LX144052	B1	2,220	50.00	Shadow	Shadow
TRIONISTA HOLDCO GMBH	B1C3 TERM FACILITY	LX143932	B1	2,220	50.00	Shadow	Shadow
TRIONISTA HOLDCO GMBH	B1E3 TERM FACILITY	LX144054	B1	2,220	50.00	Shadow	Shadow
TRIONISTA HOLDCO GMBH	B1C3 TERM FACILITY	LX143932	B1	2,220	50.00	Shadow	Shadow
TWIN SET	TWSSBS FLOAT	XS1086778641	B2	2,720	35.00	Shadow	Shadow
UMV GLOBAL FOODS COMPANY LTD	FACILITY B2A	LX142370	B1	2,220	45.00	Shadow	Shadow
VERITAS US INC	VERITS 7 02/01/23 CORP	XS1357678322	B3	3,490	45.00	Shadow	Shadow
VERITAS US INC	INITIAL EURO TERM B-1	LX151041	B3	3,490	50.00	Shadow	Shadow
VRX ESCROW CORPORATION	VRXCN 4	XS1205619288	B3	3,490	25.00	Shadow	Shadow
VUE INTERNATIONAL BIDCO	VEUCIN FLOAT	XS1135437280	B2	2,720	35.00	Shadow	Shadow
VWR FUNDING INC	TERM LOAN B 2	LX157040	B1	2,220	50.00	Shadow	Shadow
WESTERN DIGITAL CORP	EURO TERM B-2 LOAN	LX155051	Ba1	940	45.00	BB+	95.00
WIND ACQUISITION FINANCE SA	WINDIM FLOAT-15	XS1082635712	B2	2,720	55.00	B+	80.00
WITTUR HOLDING GMBH	FACILITY B2	LX142830	B3	3,490	50.00	Shadow	Shadow
XELLA INTERNATIONAL GMBH	FACILITY G	LX144550	B1	2,220	45.00	Shadow	Shadow
XPO LOGISTICS INC	XPO 5 3/4	XS1117295060	B1	2,220	25.00	Shadow	Shadow

Grosvenor Place CLO 2013-1 B.V.

Portfolio as of 31-Mar-2017

Issuer	Tranche	ISIN / CUSIP	Moody's Rating	Moody's Rating Factor	Moodys Recovery	Fitch Rating	Fitch Recovery
YELLOW MAPLE HOLDING B.V.	FACILITY B5	LX154204	Shadow	-	Shadow	Shadow	Shadow
YPSO HOLDING SA	EUR TERM LOAN B-10	LX155720	B1	2,220	45.00	Shadow	Shadow
YPSO HOLDING SA	EUR TERM LOAN B-10	LX155720	B1	2,220	45.00	Shadow	Shadow
YPSO HOLDING SA	EURO TERM LOAN B9	LX153091	B1	2,220	45.00	Shadow	Shadow

Grosvenor Place CLO 2013-1 B.V.

Rating Details as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	Prior Rating		Current Rating		Discount Type	Notional Amount (EUR)
		Fitch	Moody's	Fitch	Moody's		
1908 ACQUISITION B.V.	FACILITY B	Shadow	Shadow	Shadow	Shadow		8,500,000.00
ACR II B.V.	FACILITY B	Shadow	Shadow	Shadow	Shadow		3,000,000.00
AENOVA HOLDING GMBH	FACILITY B	Shadow	Caa1	Shadow	Caa1		1,833,332.65
AENOVA HOLDING GMBH	FACILITY B	Shadow	Caa1	Shadow	Caa1		2,000,000.00
AENOVA HOLDING GMBH	FACILITY B	Shadow	Caa1	Shadow	Caa1		2,000,000.00
AI AVOCADO HOLDING B.V.	FACILITY B2	Shadow	B2	Shadow	B2		2,000,000.00
AIRBUS DEFENCE ELECTRONICS	TERM LOAN HYPO	Shadow	Shadow	Shadow	Shadow		4,312,500.00
ALTICE FINANCING SA	REFINANCING FACILITY	Shadow	B1	Shadow	B1		2,962,612.50
ALTICE LUXEMBURG SA	ATCNA 6 1/4	Shadow	B1	Shadow	B1		2,000,000.00
ANTIN AUDE BIDCO GMBH	FACILITY B	Shadow	Shadow	Shadow	Shadow		1,000,000.00
ANTIN AUDE BIDCO GMBH	FACILITY B	Shadow	Shadow	Shadow	Shadow		3,000,000.00
AXIOS BIDCO LIMITED	TERM EUR	Shadow	Shadow	Shadow	Shadow		5,500,000.00
BISOHO SAS	SMCPFP FLOAT CORP	Shadow	B2	Shadow	B2		2,100,000.00
BMC SOFTWARE FINANCE INC	INITIAL FOREIGN TERM LOANS	Shadow	B3	Shadow	B3		3,771,665.88
BMC SOFTWARE FINANCE INC	INITIAL FOREIGN TERM LOANS	Shadow	B3	Shadow	B3		1,985,454.54
BMC SOFTWARE FINANCE INC	INITIAL FOREIGN TERM LOANS	Shadow	B3	Shadow	B3		496,493.68
BMC SOFTWARE FINANCE INC	INITIAL FOREIGN TERM LOANS	Shadow	B3	Shadow	B3		1,178,803.78
BMC SOFTWARE FINANCE INC	INITIAL FOREIGN TERM LOANS	Shadow	B3	Shadow	B3		1,031,705.26
CDS HOLDCO III B.V.	NEW FACILITY B	Shadow	Shadow	Shadow	Shadow		3,303,865.25
CDS HOLDCO III B.V.	NEW FACILITY B	Shadow	Shadow	Shadow	Shadow		1,779,148.68
COHERENT HOLDING GMBH	EURO TERM LOAN	Shadow	Ba2	Shadow	Ba2		950,223.88
CONSTELLIUM NV	CSTMFP 4	Shadow	B3	Shadow	B3		1,900,000.00
CONSTELLIUM NV	CSTMFP 4	Shadow	B3	Shadow	B3		823,000.00
CONSTELLIUM NV	CSTMFP 4	Shadow	B3	Shadow	B3		970,000.00
CONSTELLIUM NV	CSTMFP 4	Shadow	B3	Shadow	B3		307,000.00

Grosvenor Place CLO 2013-1 B.V.

Rating Details as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	Prior Rating		Current Rating		Discount Type	Notional Amount (EUR)
		Fitch	Moody's	Fitch	Moody's		
DIAVERUM HOLDING S.A.R.L.	FACILITY C1 FRANCE	Shadow	Shadow	Shadow	Shadow		283,020.52
DIAVERUM HOLDING S.A.R.L.	FACILITY C1 LUX	Shadow	Shadow	Shadow	Shadow		1,716,979.48
DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)	2015 INCREMENTAL EURO TERM LOANS	Shadow	B3	Shadow	B3		609,407.50
DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)	INITIAL EURO TERM LOANS	Shadow	B3	Shadow	B3		300,077.22
DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)	INITIAL EURO TERM LOANS	Shadow	B3	Shadow	B3		3.49
EMERALD 2 LIMITED	FACILITY B2	Shadow	Shadow	Shadow	Shadow		2,000,000.00
EMERALD 2 LIMITED	FACILITY B2	Shadow	Shadow	Shadow	Shadow		1,000,000.00
EMERALD 2 LIMITED	FACILITY B2	Shadow	Shadow	Shadow	Shadow		1,500,000.00
EMERALD 2 LIMITED	FACILITY B2	Shadow	Shadow	Shadow	Shadow		1,000,000.00
FINANCIERE CEP	FACILITY B2	Shadow	Shadow	Shadow	Shadow		2,288,033.01
FINANCIERE CEP	FACILITY B2	Shadow	Shadow	Shadow	Shadow		1,345,748.30
FINANCIERE CEP	FACILITY B2	Shadow	Shadow	Shadow	Shadow		2,756,777.75
FINANCIERE CEP	FACILITY B3	Shadow	Shadow	Shadow	Shadow		1,954,129.96
FIRST DATA CORPORATION	2022C EUR TERM LOAN	B+	B1	B+	B1		7,750,000.00
FIRST DATA CORPORATION	2022C EUR TERM LOAN	B+	B1	B+	B1		750,000.00
GARDNER DENVER INC	INITIAL EURO TERM LOAN	Shadow	B3	Shadow	B3		57,918.74
GARDNER DENVER INC	INITIAL EURO TERM LOAN	Shadow	B3	Shadow	B3		2,996,325.17
GARDNER DENVER INC	INITIAL EURO TERM LOAN	Shadow	B3	Shadow	B3		1,501,936.00
GARDNER DENVER INC	INITIAL EURO TERM LOAN	Shadow	B3	Shadow	B3		1,505,767.47
GARFUNKELUX HOLDCO 3 SA	GARFUN 7	Shadow	B2	Shadow	B2		820,000.00
GARFUNKELUX HOLDCO 3 SA	GARFUN 7	Shadow	B2	Shadow	B2		1,500,000.00
GARFUNKELUX HOLDCO 3 SA	GARFUN 7	Shadow	B2	Shadow	B2		1,000,000.00
GUALA CLOSURES SPA	GCLIM FLOAT CORP	Shadow	B2	Shadow	B2		625,000.00
HARVESTER NOTESCO S.A.R.L.	FACILITY B1	Shadow	Shadow	Shadow	Shadow		3,500,000.00

Grosvenor Place CLO 2013-1 B.V.

Rating Details as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	Prior Rating		Current Rating		Discount Type	Notional Amount (EUR)
		Fitch	Moody's	Fitch	Moody's		
HOST EUROPE	TERM B2 FACILITY	Shadow	Shadow	Shadow	Shadow		2,000,000.00
HOST EUROPE	TERM B2 FACILITY	Shadow	Shadow	Shadow	Shadow		3,000,000.00
HOST EUROPE	TERM B2 FACILITY	Shadow	Shadow	Shadow	Shadow		2,000,000.00
HSE24 FINANCE & SERVICE GMBH	FACILITY C	Shadow	Shadow	Shadow	Shadow		2,200,000.00
INEOS FINANCE PLC	NEW 2022 EURO TERM LOAN	Shadow	Ba3	Shadow	Ba3		1,486,572.74
INEOS STYROLUTION GROUP GMBH	2021 EURO TERM LOAN HYPO	Shadow	Ba3	Shadow	Ba3		997,500.00
INFINITAS	FACILITY B2	Shadow	Shadow	Shadow	Shadow		5,500,000.00
INTERVIAS FINCO LIMITED	FACILITY C2	Shadow	B2	Shadow	B2		6,000,000.00
JACOBS DOUWE EGBERTS INTERNATIONAL B.V	TERM LOAN A3	Shadow	Ba2	Shadow	Ba2		3,750,000.00
JACOBS DOUWE EGBERTS INTERNATIONAL B.V	TERM LOAN B3	Shadow	Ba2	Shadow	Ba2		1,126,842.28
LOGOPLASTE	FACILITY B FRANCE HYPO	Shadow	Shadow	Shadow	Shadow		4,000,000.00
LYNGEN BIDCO AS	FACILITY B4	Shadow	B1	Shadow	B1		8,000,000.00
MATERIS CHRYSO	TERM LOAN	Shadow	Shadow	Shadow	Shadow		8,500,000.00
MATTERHORN TELECOM SA	MATTER 3 7/8	Shadow	B2	Shadow	B2		1,000,000.00
MATTERHORN TELECOM SA	MATTER 3 7/8	Shadow	B2	Shadow	B2		1,600,000.00
MEDIARENA ACQUISITION BV	EURO TERM B LOAN	Shadow	B3	Shadow	B3		2,603,178.69
NETINVEST LIMITED	FACILITY B	Shadow	Ba2	Shadow	Ba2		2,000,000.00
NETINVEST LIMITED	FACILITY B	Shadow	Ba2	Shadow	Ba2		4,000,000.00
NOVAFIVES SAS	NVFVES 4	Shadow	B2	Shadow	B2		288,000.00
NOVAFIVES SAS	NVFVES 4	Shadow	B2	Shadow	B2		1,500,000.00
NOVAFIVES SAS	NVFVES FLOAT	Shadow	B2	Shadow	B2		3,878,000.00
ONEX EAGLE ACQUISITION COMPANY LIMITED	TERM LOAN B TRANCHE 2 EUR	Shadow	B2	Shadow	B2		3,500,000.00
ONEX EAGLE ACQUISITION COMPANY LIMITED	TERM LOAN B TRANCHE 2 EUR	Shadow	B2	Shadow	B2		3,000,000.00

Grosvenor Place CLO 2013-1 B.V.

Rating Details as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	Prior Rating		Current Rating		Discount Type	Notional Amount (EUR)
		Fitch	Moody's	Fitch	Moody's		
PICARD GROUPE S.A.S.	PICSUR FLOAT-15	Shadow	B2	Shadow	B2		1,408,759.12
PLATFORM SPECIALITY PRODUCTS CORPORATION	PAH 6	Shadow	B2	Shadow	B2		1,000,000.00
PLATFORM SPECIALITY PRODUCTS CORPORATION	PAH 6	Shadow	B2	Shadow	B2		1,000,000.00
PORTAVENTURA	PORTAV FLOAT	Shadow	B3	Shadow	B3		600,000.00
PROGROUP AG	PROGRP FLOAT	Shadow	Ba3	Shadow	Ba3		300,000.00
PROMONTORIA MCS SAS	MCSGRP FLOAT 09/30/21 CORP	Shadow	B2	Shadow	B2		500,000.00
RAET	TERM LOAN B	Shadow	Shadow	Shadow	Shadow		5,000,000.00
RAET	TERM LOAN B	Shadow	Shadow	Shadow	Shadow		2,142,857.14
REMEDCO HOLDING B.V.	TERM B1	Shadow	Shadow	Shadow	Shadow		4,048,250.34
REMEDCO HOLDING B.V.	TERM B1	Shadow	Shadow	Shadow	Shadow		2,662,597.04
REYNOLDS GROUP HOLDINGS	2017 INCREMENTAL EUR TERM LOAN	Shadow	B3	Shadow	B3		1,492,509.37
SCANDLINES APS	FACILITY A	Shadow	Ba3	Shadow	Ba3		2,672,169.81
SCHENCK PROCESS FINANCE GMBH	FACILITY B EUR	Shadow	Shadow	Shadow	Shadow		2,000,000.00
SCHENCK PROCESS FINANCE GMBH	FACILITY B EUR	Shadow	Shadow	Shadow	Shadow		4,499,999.99
SCHENCK PROCESS FINANCE GMBH	FACILITY B EUR	Shadow	Shadow	Shadow	Shadow		2,000,000.00
SNAI SPA	SNAIM FLOAT 11/07/21 CORP	Shadow	B2	Shadow	B2		1,650,000.00
SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN B8	Shadow	B2	Shadow	B2		893,164.58
SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN HYPO	Shadow	B2	Shadow	B2		2,089,500.00
SYNLAB BONDCO PLC	LABFP FLOAT CORP	B	B2	B	B2		6,450,000.00
TACKLE SARL	FACILITY B HYPO	Shadow	Shadow	Shadow	Shadow		1,500,000.00
TAGHLEEF INDUSTRIES TOPCO LIMITED	FACILITY B	Shadow	Ba3	Shadow	Ba3		2,400,000.00

Grosvenor Place CLO 2013-1 B.V.

Rating Details as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	Prior Rating		Current Rating		Discount Type	Notional Amount (EUR)
		Fitch	Moody's	Fitch	Moody's		
TELENET INTERNATIONAL FINANCE S.A.R.L.	TERM LOAN FACILITY AE	BB-	Ba3	BB-	Ba3		3,000,000.00
TRIONISTA HOLDCO GMBH	B1A3 TERM FACILITY	Shadow	B1	Shadow	B1		1,373,355.66
TRIONISTA HOLDCO GMBH	B1A3 TERM FACILITY	Shadow	B1	Shadow	B1		714,187.25
TRIONISTA HOLDCO GMBH	B1B3 TERM FACILITY	Shadow	B1	Shadow	B1		44,744.14
TRIONISTA HOLDCO GMBH	B1B3 TERM FACILITY	Shadow	B1	Shadow	B1		105,592.02
TRIONISTA HOLDCO GMBH	B1C3 TERM FACILITY	Shadow	B1	Shadow	B1		730,562.18
TRIONISTA HOLDCO GMBH	B1E3 TERM FACILITY	Shadow	B1	Shadow	B1		54,093.12
TRIONISTA HOLDCO GMBH	B1E3 TERM FACILITY	Shadow	B1	Shadow	B1		291,402.00
TWIN SET	TWSSBS FLOAT	Shadow	B2	Shadow	B2		3,000,000.00
TWIN SET	TWSSBS FLOAT	Shadow	B2	Shadow	B2		3,000,000.00
TWIN SET	TWSSBS FLOAT	Shadow	B2	Shadow	B2		2,500,000.00
TWIN SET	TWSSBS FLOAT	Shadow	B2	Shadow	B2		280,000.00
UMV GLOBAL FOODS COMPANY LTD	FACILITY B2A	Shadow	B1	Shadow	B1		913,396.50
UMV GLOBAL FOODS COMPANY LTD	FACILITY B2A	Shadow	B1	Shadow	B1		4,550,000.00
VERITAS US INC	INITIAL EURO TERM B-1	Shadow	B3	Shadow	B3		3,600,968.67
VERITAS US INC	INITIAL EURO TERM B-1	Shadow	B3	Shadow	B3		2,493,734.34
VERITAS US INC	VERITS 7 02/01/23 CORP	Shadow	B3	Shadow	B3		500,000.00
VRX ESCROW CORPORATION	VRXCN 4	Shadow	B3	Shadow	B3		2,000,000.00
VRX ESCROW CORPORATION	VRXCN 4	Shadow	B3	Shadow	B3		2,000,000.00
VUE INTERNATIONAL BIDCO	VEUCIN FLOAT	Shadow	B2	Shadow	B2		7,000,000.00
VWR FUNDING INC	TERM LOAN B 2	Shadow	B1	Shadow	B1		1,766,489.63
WESTERN DIGITAL CORP	EURO TERM B-2 LOAN	BB+	Ba1	BB+	Ba1		7,940,100.00
WIND ACQUISITION FINANCE SA	WINDIM FLOAT-15	B+	B2	B+	B2		2,000,000.00
WIND ACQUISITION FINANCE SA	WINDIM FLOAT-15	B+	B2	B+	B2		3,000,000.00
WIND ACQUISITION FINANCE SA	WINDIM FLOAT-15	B+	B2	B+	B2		2,000,000.00

Grosvenor Place CLO 2013-1 B.V.

Rating Details as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	Prior Rating		Current Rating		Discount Type	Notional Amount (EUR)
		Fitch	Moody's	Fitch	Moody's		
WITTUR HOLDING GMBH	FACILITY B2	Shadow	B3	Shadow	B3		3,000,000.00
XELLA INTERNATIONAL GMBH	FACILITY G	Shadow	B1	Shadow	B1		2,000,000.00
XPO LOGISTICS INC	XPO 5 3/4	Shadow	B1	Shadow	B1		2,000,000.00
YELLOW MAPLE HOLDING B.V.	FACILITY B5	Shadow	Shadow	Shadow	Shadow		3,000,000.00
YPSO HOLDING SA	EUR TERM LOAN B-10	Shadow	B1	Shadow	B1		997,500.00
YPSO HOLDING SA	EURO TERM LOAN B9	Shadow	B1	Shadow	B1		2,463,893.69
							284,026,851.01

Grosvenor Place CLO 2013-1 B.V.

Portfolio Composition - Asset Type as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	Security Level	Specified Type	Coupon Type	Lien Type	Facility Type	Notional Amount (CCY)	CCY	Notional Amount (EUR)
1908 ACQUISITION B.V.	FACILITY B	Senior Secured		Floating			8,500,000.00	EUR	8,500,000.00
ACR II B.V.	FACILITY B	Senior Secured		Floating			3,000,000.00	EUR	3,000,000.00
AENOVA HOLDING GMBH	FACILITY B	Senior Secured	Covenant-Lite	Floating			5,833,332.65	EUR	5,833,332.65
AI AVOCADO HOLDING B.V.	FACILITY B2	Senior Secured		Floating			2,000,000.00	EUR	2,000,000.00
AIRBUS DEFENCE ELECTRONICS	TERM LOAN HYPO	Senior Secured		Floating			4,312,500.00	EUR	4,312,500.00
ALTICE FINANCING SA	REFINANCING FACILITY	Senior Secured	Covenant-Lite	Floating			2,962,612.50	EUR	2,962,612.50
ALTICE LUXEMBURG SA	ATCNA 6 1/4	Senior Unsecured		Fixed			2,000,000.00	EUR	2,000,000.00
ANTIN AUDE BIDCO GMBH	FACILITY B	Senior Secured		Floating			4,000,000.00	EUR	4,000,000.00
AXIOS BIDCO LIMITED	TERM EUR	Senior Secured	Covenant-Lite	Floating			5,500,000.00	EUR	5,500,000.00
BISOHO SAS	SMCPFP FLOAT CORP	Senior Secured		Floating			2,100,000.00	EUR	2,100,000.00
BMC SOFTWARE FINANCE INC	INITIAL FOREIGN TERM LOANS	Senior Secured	Covenant-Lite	Floating			8,464,123.14	EUR	8,464,123.14
CDS HOLDCO III B.V.	NEW FACILITY B	Senior Secured		Floating			5,083,013.93	EUR	5,083,013.93
COHERENT HOLDING GMBH	EURO TERM LOAN	Senior Secured	Covenant-Lite	Floating			950,223.88	EUR	950,223.88
CONSTELLIUM NV	CSTMFP 4	Senior Unsecured		Fixed			4,000,000.00	EUR	4,000,000.00
DIAVERUM HOLDING S.A.R.L.	FACILITY C1 FRANCE	Senior Secured		Floating			283,020.52	EUR	283,020.52
DIAVERUM HOLDING S.A.R.L.	FACILITY C1 LUX	Senior Secured		Floating			1,716,979.48	EUR	1,716,979.48
DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)	2015 INCREMENTAL EURO TERM LOANS	Senior Secured	Covenant-Lite	Floating			609,407.50	EUR	609,407.50
DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)	INITIAL EURO TERM LOANS	Senior Secured	Covenant-Lite	Floating			300,080.71	EUR	300,080.71
EMERALD 2 LIMITED	FACILITY B2	Senior Secured	Covenant-Lite	Floating			5,500,000.00	EUR	5,500,000.00
FINANCIERE CEP	FACILITY B2	Senior Secured		Floating			6,390,559.06	EUR	6,390,559.06
FINANCIERE CEP	FACILITY B3	Senior Secured		Floating			1,954,129.96	EUR	1,954,129.96
FIRST DATA CORPORATION	2022C EUR TERM LOAN	Senior Secured		Floating			8,500,000.00	EUR	8,500,000.00
GARDNER DENVER INC	INITIAL EURO TERM LOAN	Senior Secured	Covenant-Lite	Floating			6,061,947.38	EUR	6,061,947.38
GARFUNKELUX HOLDCO 3 SA	GARFUN 7	Senior Secured		Fixed			3,320,000.00	EUR	3,320,000.00
GUALA CLOSURES SPA	GCLIM FLOAT CORP	Senior Secured		Floating			625,000.00	EUR	625,000.00
HARVESTER NOTESCO S.A.R.L.	FACILITY B1	Senior Secured		Floating			3,500,000.00	EUR	3,500,000.00
HOST EUROPE	TERM B2 FACILITY	Senior Secured		Floating			7,000,000.00	EUR	7,000,000.00
HSE24 FINANCE & SERVICE GMBH	FACILITY C	Senior Secured		Floating			2,200,000.00	EUR	2,200,000.00

Grosvenor Place CLO 2013-1 B.V.

Portfolio Composition - Asset Type as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	Security Level	Specified Type	Coupon Type	Lien Type	Facility Type	Notional Amount (CCY)	CCY	Notional Amount (EUR)
INEOS FINANCE PLC	NEW 2022 EURO TERM LOAN	Senior Secured	Covenant-Lite	Floating			1,486,572.74	EUR	1,486,572.74
INEOS STYROLUTION GROUP GMBH	2021 EURO TERM LOAN HYPO	Senior Secured	Covenant-Lite	Floating			997,500.00	EUR	997,500.00
INFINITAS	FACILITY B2	Senior Secured		Floating			5,500,000.00	EUR	5,500,000.00
INTERVIAS FINCO LIMITED	FACILITY C2	Senior Secured		Floating			6,000,000.00	EUR	6,000,000.00
JACOBS DOUWE EGBERTS INTERNATIONAL B.V	TERM LOAN B3	Senior Secured		Floating			1,126,842.28	EUR	1,126,842.28
JACOBS DOUWE EGBERTS INTERNATIONAL B.V	TERM LOAN A3	Senior Secured		Floating			3,750,000.00	EUR	3,750,000.00
LOGOPLASTE	FACILITY B FRANCE HYPO	Senior Secured		Floating			4,000,000.00	EUR	4,000,000.00
LYNGEN BIDCO AS	FACILITY B4	Senior Secured		Floating			8,000,000.00	EUR	8,000,000.00
MATERIS CHRYSO	TERM LOAN	Senior Secured		Floating			8,500,000.00	EUR	8,500,000.00
MATTERHORN TELECOM SA	MATTER 3 7/8	Senior Secured		Fixed			2,600,000.00	EUR	2,600,000.00
MEDIARENA ACQUISITION BV	EURO TERM B LOAN	Senior Secured	Covenant-Lite	Floating			2,603,178.69	EUR	2,603,178.69
NETINVEST LIMITED	FACILITY B	Senior Secured		Floating			6,000,000.00	EUR	6,000,000.00
NOVAFIVES SAS	NVFVES 4	Senior Secured		Fixed			1,788,000.00	EUR	1,788,000.00
NOVAFIVES SAS	NVFVES FLOAT	Senior Secured		Floating			3,878,000.00	EUR	3,878,000.00
ONEX EAGLE ACQUISITION COMPANY LIMITED	TERM LOAN B TRANCHE 2 EUR	Senior Secured		Floating			6,500,000.00	EUR	6,500,000.00
PICARD GROUPE S.A.S.	PICSUR FLOAT-15	Senior Secured		Floating			1,408,759.12	EUR	1,408,759.12
PLATFORM SPECIALITY PRODUCTS CORPORATION	PAH 6	Senior Unsecured		Fixed			2,000,000.00	EUR	2,000,000.00
PORTAVENTURA	PORTAV FLOAT	Senior Secured		Floating			600,000.00	EUR	600,000.00
PROGROUP AG	PROGRP FLOAT	Senior Secured		Floating			300,000.00	EUR	300,000.00
PROMONTORIA MCS SAS	MCSGRP FLOAT 09/30/21 CORP	Senior Secured		Floating			500,000.00	EUR	500,000.00
RAET	TERM LOAN B	Senior Secured		Floating			7,142,857.14	EUR	7,142,857.14
REMEDCO HOLDING B.V.	TERM B1	Senior Secured		Floating			6,710,847.38	EUR	6,710,847.38
REYNOLDS GROUP HOLDINGS	2017 INCREMENTAL EUR TERM LOAN	Senior Secured	Covenant-Lite	Floating			1,492,509.37	EUR	1,492,509.37
SCANDLINES APS	FACILITY A	Senior Secured		Floating			2,672,169.81	EUR	2,672,169.81
SCHENCK PROCESS FINANCE GMBH	FACILITY B EUR	Senior Secured		Floating			8,499,999.99	EUR	8,499,999.99
SNAI SPA	SNAIM FLOAT 11/07/21 CORP	Senior Secured		Floating			1,650,000.00	EUR	1,650,000.00

Grosvenor Place CLO 2013-1 B.V.

Portfolio Composition - Asset Type as of 31-Mar-2017

Deutsche Bank

Issuer	Tranche	Security Level	Specified Type	Coupon Type	Lien Type	Facility Type	Notional Amount (CCY)	CCY	Notional Amount (EUR)
SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN HYPO	Senior Secured	Covenant-Lite	Floating			2,089,500.00	EUR	2,089,500.00
SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN B8	Senior Secured	Covenant-Lite	Floating			893,164.58	EUR	893,164.58
SYNLAB BONDCO PLC	LABFP FLOAT CORP	Senior Secured		Floating			6,450,000.00	EUR	6,450,000.00
TACKLE SARL	FACILITY B HYPO	Senior Secured		Floating			1,500,000.00	EUR	1,500,000.00
TAGHLEEF INDUSTRIES TOPCO LIMITED	FACILITY B	Senior Secured		Floating			2,400,000.00	EUR	2,400,000.00
TELENET INTERNATIONAL FINANCE S.A.R.L.	TERM LOAN FACILITY AE	Senior Secured	Covenant-Lite	Floating			3,000,000.00	EUR	3,000,000.00
TRIONISTA HOLDCO GMBH	B1C3 TERM FACILITY	Senior Secured		Floating			730,562.18	EUR	730,562.18
TRIONISTA HOLDCO GMBH	B1A3 TERM FACILITY	Senior Secured		Floating			2,087,542.91	EUR	2,087,542.91
TRIONISTA HOLDCO GMBH	B1B3 TERM FACILITY	Senior Secured		Floating			150,336.16	EUR	150,336.16
TRIONISTA HOLDCO GMBH	B1E3 TERM FACILITY	Senior Secured		Floating			345,495.12	EUR	345,495.12
TWIN SET	TWSSBS FLOAT	Senior Secured		Floating			8,780,000.00	EUR	8,780,000.00
UMV GLOBAL FOODS COMPANY LTD	FACILITY B2A	Senior Secured		Floating			5,463,396.50	EUR	5,463,396.50
VERITAS US INC	VERITS 7 02/01/23 CORP	Senior Secured		Fixed			500,000.00	EUR	500,000.00
VERITAS US INC	INITIAL EURO TERM B-1	Senior Secured	Covenant-Lite	Floating			6,094,703.01	EUR	6,094,703.01
VRX ESCROW CORPORATION	VRXCN 4	Senior Unsecured		Fixed			4,000,000.00	EUR	4,000,000.00
VUE INTERNATIONAL BIDCO	VEUCIN FLOAT	Senior Secured		Floating			7,000,000.00	EUR	7,000,000.00
VWR FUNDING INC	TERM LOAN B 2	Senior Secured	Covenant-Lite	Floating			1,766,489.63	EUR	1,766,489.63
WESTERN DIGITAL CORP	EURO TERM B-2 LOAN	Senior Secured	Covenant-Lite	Floating			7,940,100.00	EUR	7,940,100.00
WIND ACQUISITION FINANCE SA	WINDIM FLOAT-15	Senior Secured		Floating			7,000,000.00	EUR	7,000,000.00
WITTUR HOLDING GMBH	FACILITY B2	Senior Secured	Covenant-Lite	Floating			3,000,000.00	EUR	3,000,000.00
XELLA INTERNATIONAL GMBH	FACILITY G	Senior Secured		Floating			2,000,000.00	EUR	2,000,000.00
XPO LOGISTICS INC	XPO 5 3/4	Senior Unsecured		Fixed			2,000,000.00	EUR	2,000,000.00
YELLOW MAPLE HOLDING B.V.	FACILITY B5	Senior Secured		Floating			3,000,000.00	EUR	3,000,000.00
YPSO HOLDING SA	EURO TERM LOAN B9	Senior Secured	Covenant-Lite	Floating			2,463,893.69	EUR	2,463,893.69
YPSO HOLDING SA	EUR TERM LOAN B-10	Senior Secured	Covenant-Lite	Floating			997,500.00	EUR	997,500.00
									284,026,851.01

Grosvenor Place CLO 2013-1 B.V.

Approximate Market Value as of 31-Mar-2017

Deutsche Bank

Issuer	Obligation	ISIN / CUSIP	CCY	Principal Balance (CCY)	Principal Balance (EUR)	Market Price	Market Value (EUR)
1908 ACQUISITION B.V.	FACILITY B	LX139672	EUR	8,500,000.00	8,500,000.00	99.7000	8,474,500.00
							8,474,500.00
ACR II B.V.	FACILITY B	LX144215	EUR	3,000,000.00	3,000,000.00	100.8750	3,026,250.00
							3,026,250.00
AENOVA HOLDING GMBH	FACILITY B	LX139191	EUR	5,833,332.65	5,833,332.65	97.3880	5,680,966.00
							5,680,966.00
AI AVOCADO HOLDING B.V.	FACILITY B2	LX153243	EUR	2,000,000.00	2,000,000.00	99.4500	1,989,000.00
							1,989,000.00
AIRBUS DEFENCE ELECTRONICS	TERM LOAN HYPO	LX152276	EUR	4,312,500.00	4,312,500.00	100.2500	4,323,281.25
							4,323,281.25
ALTICE FINANCING SA	REFINANCING FACILITY	LX153089	EUR	2,962,612.50	2,962,612.50	100.0250	2,963,353.15
							2,963,353.15
ALTICE LUXEMBURG SA	ATCNA 6 1/4	XS1117300241	EUR	2,000,000.00	2,000,000.00	106.4439	2,128,878.00
							2,128,878.00
ANTIN AUDE BIDCO GMBH	FACILITY B	LX146944	EUR	4,000,000.00	4,000,000.00	99.5830	3,983,320.00
							3,983,320.00
AXIOS BIDCO LIMITED	TERM EUR	LX148737	EUR	5,500,000.00	5,500,000.00	92.0000	5,060,000.00
							5,060,000.00
BISOHO SAS	SMCPFP FLOAT CORP	XS1405782662	EUR	2,100,000.00	2,100,000.00	101.2438	2,126,119.80
							2,126,119.80
BMC SOFTWARE FINANCE INC	INITIAL FOREIGN TERM LOANS	LX131858	EUR	8,464,123.14	8,464,123.14	100.0160	8,465,477.40
							8,465,477.40
CDS HOLDCO III B.V.	NEW FACILITY B	LX145356	EUR	5,083,013.93	5,083,013.93	100.4750	5,107,158.25
							5,107,158.25
COHERENT HOLDING GMBH	EURO TERM LOAN	LX153899	EUR	950,223.88	950,223.88	101.4290	963,802.58
							963,802.58
CONSTELLIUM NV	CSTMFP 4	XS1064882316	EUR	4,000,000.00	4,000,000.00	97.5954	3,903,816.00

Grosvenor Place CLO 2013-1 B.V.

Approximate Market Value as of 31-Mar-2017

Deutsche Bank

Issuer	Obligation	ISIN / CUSIP	CCY	Principal Balance (CCY)	Principal Balance (EUR)	Market Price	Market Value (EUR)
							3,903,816.00
DIAVERUM HOLDING S.A.R.L.	FACILITY C1 FRANCE	LX147188	EUR	283,020.52	283,020.52	100.5500	284,577.13
DIAVERUM HOLDING S.A.R.L.	FACILITY C1 LUX	LX147187	EUR	1,716,979.48	1,716,979.48	100.5500	1,726,422.87
							2,011,000.00
DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)	2015 INCREMENTAL EURO TERM LOANS	LX134989	EUR	609,407.50	609,407.50	100.0420	609,663.45
DPX HOLDINGS B.V. (PATHEON/JLL/DELTA DUTCH)	INITIAL EURO TERM LOANS	LX134989	EUR	300,080.71	300,080.71	100.0420	300,206.74
							909,870.20
EMERALD 2 LIMITED	FACILITY B2	LX137157	EUR	5,500,000.00	5,500,000.00	96.0830	5,284,565.00
							5,284,565.00
FINANCIERE CEP	FACILITY B2	LX149339	EUR	6,390,559.06	6,390,559.06	100.4060	6,416,504.73
FINANCIERE CEP	FACILITY B3	LX149025	EUR	1,954,129.96	1,954,129.96	100.4060	1,962,063.73
							8,378,568.46
FIRST DATA CORPORATION	2022C EUR TERM LOAN	LX157235	EUR	8,500,000.00	8,500,000.00	100.3060	8,526,010.00
							8,526,010.00
GARDNER DENVER INC	INITIAL EURO TERM LOAN	LX128916	EUR	6,061,947.38	6,061,947.38	100.2220	6,075,404.90
							6,075,404.90
GARFUNKELUX HOLDCO 3 SA	GARFUN 7	XS1263891910	EUR	3,320,000.00	3,320,000.00	107.0367	3,553,618.44
							3,553,618.44
GUALA CLOSURES SPA	GCLIM FLOAT CORP	XS1516322465	EUR	625,000.00	625,000.00	103.0620	644,137.50
							644,137.50
HARVESTER NOTESCO S.A.R.L.	FACILITY B1	LX147752	EUR	3,500,000.00	3,500,000.00	99.3330	3,476,655.00
							3,476,655.00
HOST EUROPE	TERM B2 FACILITY	LX143307	EUR	7,000,000.00	7,000,000.00	99.8750	6,991,250.00
							6,991,250.00
HSE24 FINANCE & SERVICE GMBH	FACILITY C	LX155957	EUR	2,200,000.00	2,200,000.00	100.3000	2,206,600.00
							2,206,600.00

Grosvenor Place CLO 2013-1 B.V.

Approximate Market Value as of 31-Mar-2017

Deutsche Bank

Issuer	Obligation	ISIN / CUSIP	CCY	Principal Balance (CCY)	Principal Balance (EUR)	Market Price	Market Value (EUR)
INEOS FINANCE PLC	NEW 2022 EURO TERM LOAN	LX160309	EUR	1,486,572.74	1,486,572.74	99.7360	1,482,648.19
							1,482,648.19
INEOS STYROLUTION GROUP GMBH	2021 EURO TERM LOAN HYPO	LX155052	EUR	997,500.00	997,500.00	100.6000	1,003,485.00
							1,003,485.00
INFINITAS	FACILITY B2	LX155805	EUR	5,500,000.00	5,500,000.00	101.4750	5,581,125.00
							5,581,125.00
INTERVIAS FINCO LIMITED	FACILITY C2	LX155859	EUR	6,000,000.00	6,000,000.00	100.7680	6,046,080.00
							6,046,080.00
JACOBS DOUWE EGBERTS INTERNATIONAL B.V	TERM LOAN A3	LX155879	EUR	3,750,000.00	3,750,000.00	100.1560	3,755,850.00
JACOBS DOUWE EGBERTS INTERNATIONAL B.V	TERM LOAN B3	LX138200	EUR	1,126,842.28	1,126,842.28	100.7160	1,134,910.47
							4,890,760.47
LOGOPLASTE	FACILITY B FRANCE HYPO	LX153526	EUR	4,000,000.00	4,000,000.00	100.3000	4,012,000.00
							4,012,000.00
LYNGEN BIDCO AS	FACILITY B4	LX155290	EUR	8,000,000.00	8,000,000.00	100.6250	8,050,000.00
							8,050,000.00
MATERIS CHRYSO	TERM LOAN	LX140009	EUR	8,500,000.00	8,500,000.00	99.5940	8,465,490.00
							8,465,490.00
MATTERHORN TELECOM SA	MATTER 3 7/8	XS1219465728	EUR	2,600,000.00	2,600,000.00	101.1820	2,630,732.00
							2,630,732.00
MEDIARENA ACQUISITION BV	EURO TERM B LOAN	LX139557	EUR	2,603,178.69	2,603,178.69	92.7000	2,413,146.65
							2,413,146.65
NETINVEST LIMITED	FACILITY B	LX145020	EUR	6,000,000.00	6,000,000.00	100.2500	6,015,000.00
							6,015,000.00
NOVAFIVES SAS	NVFVES 4	XS1028950886	EUR	1,788,000.00	1,788,000.00	98.7469	1,765,594.57
NOVAFIVES SAS	NVFVES FLOAT	XS1028951421	EUR	3,878,000.00	3,878,000.00	98.5210	3,820,644.38
							5,586,238.95

Grosvenor Place CLO 2013-1 B.V.

Approximate Market Value as of 31-Mar-2017

Deutsche Bank

Issuer	Obligation	ISIN / CUSIP	CCY	Principal Balance (CCY)	Principal Balance (EUR)	Market Price	Market Value (EUR)
ONEX EAGLE ACQUISITION COMPANY LIMITED	TERM LOAN B TRANCHE 2 EUR	LX143312	EUR	6,500,000.00	6,500,000.00	99.7500	6,483,750.00
							6,483,750.00
PAW LUXCO II S.A.R.L	FACILITY B	LX121462	EUR	6,373,810.24	6,373,810.24	51.0000	3,250,643.22
							3,250,643.22
PICARD GROUPE S.A.S.	PICSUR FLOAT-15	XS0956139264	EUR	1,408,759.12	1,408,759.12	100.4680	1,415,352.11
							1,415,352.11
PLATFORM SPECIALITY PRODUCTS CORPORATION	PAH 6	XS1175224747	EUR	2,000,000.00	2,000,000.00	102.7736	2,055,472.00
							2,055,472.00
PORTAVENTURA	PORTAV FLOAT	XS0982712019	EUR	600,000.00	600,000.00	100.1750	601,050.00
							601,050.00
PROGROUP AG	PROGRP FLOAT	DE000A161GE9	EUR	300,000.00	300,000.00	100.3358	301,007.40
							301,007.40
PROMONTORIA MCS SAS	MCSGRP FLOAT 09/30/21 CORP	XS1496169001	EUR	500,000.00	500,000.00	101.0625	505,312.50
							505,312.50
RAET	TERM LOAN B	LX145274	EUR	7,142,857.14	7,142,857.14	100.2810	7,162,928.57
							7,162,928.57
REMEDCO HOLDING B.V.	TERM B1	LX148262	EUR	6,710,847.38	6,710,847.38	101.1250	6,786,344.41
							6,786,344.41
REYNOLDS GROUP HOLDINGS	2017 INCREMENTAL EUR TERM LOAN	LX159203	EUR	1,492,509.37	1,492,509.37	101.0000	1,507,434.46
							1,507,434.46
SCANDLINES APS	FACILITY A	LX133147	EUR	2,672,169.81	2,672,169.81	100.1250	2,675,510.02
							2,675,510.02
SCHENCK PROCESS FINANCE GMBH	FACILITY B EUR	LX152255	EUR	8,499,999.99	8,499,999.99	99.8930	8,490,904.99
							8,490,904.99
SNAI SPA	SNAIM FLOAT 11/07/21 CORP	XS1513692357	EUR	1,650,000.00	1,650,000.00	102.5793	1,692,558.45
							1,692,558.45

Grosvenor Place CLO 2013-1 B.V.

Approximate Market Value as of 31-Mar-2017

Deutsche Bank

Issuer	Obligation	ISIN / CUSIP	CCY	Principal Balance (CCY)	Principal Balance (EUR)	Market Price	Market Value (EUR)
SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN B8	LX143524	EUR	893,164.58	893,164.58	99.9060	892,325.01
SPRINGER SCIENCE (SPRINGER SBM TWO GMBH)	TERM LOAN HYPO	LX153230	EUR	2,089,500.00	2,089,500.00	99.8750	2,086,888.13
							2,979,213.13
SYNLAB BONDCO PLC	LABFP FLOAT CORP	XS1516322200	EUR	6,450,000.00	6,450,000.00	101.2900	6,533,205.00
							6,533,205.00
TACKLE SARL	FACILITY B HYPO	LX161574	EUR	1,500,000.00	1,500,000.00	99.9440	1,499,160.00
							1,499,160.00
TAGHLEEF INDUSTRIES TOPCO LIMITED	FACILITY B	LX152515	EUR	2,400,000.00	2,400,000.00	100.8000	2,419,200.00
							2,419,200.00
TELENET INTERNATIONAL FINANCE S.A.R.L.	TERM LOAN FACILITY AE	LX156207	EUR	3,000,000.00	3,000,000.00	99.7270	2,991,810.00
							2,991,810.00
TRIONISTA HOLDCO GMBH	B1A3 TERM FACILITY	LX143931	EUR	2,087,542.91	2,087,542.91	100.7080	2,102,322.71
TRIONISTA HOLDCO GMBH	B1B3 TERM FACILITY	LX144052	EUR	150,336.16	150,336.16	100.7080	151,400.54
TRIONISTA HOLDCO GMBH	B1C3 TERM FACILITY	LX143932	EUR	730,562.18	730,562.18	100.7080	735,734.56
TRIONISTA HOLDCO GMBH	B1E3 TERM FACILITY	LX144054	EUR	345,495.12	345,495.12	100.7080	347,941.23
							3,337,399.04
TWIN SET	TWSSBS FLOAT	XS1086778641	EUR	8,780,000.00	8,780,000.00	100.3326	8,809,202.28
							8,809,202.28
UMV GLOBAL FOODS COMPANY LTD	FACILITY B2A	LX142370	EUR	5,463,396.50	5,463,396.50	100.1670	5,472,520.37
							5,472,520.37
VERITAS US INC	INITIAL EURO TERM B-1	LX151041	EUR	6,094,703.01	6,094,703.01	99.6420	6,072,883.97
VERITAS US INC	VERITS 7 02/01/23 CORP	XS1357678322	EUR	500,000.00	500,000.00	95.4250	477,125.00
							6,550,008.97
VRX ESCROW CORPORATION	VRXCN 4	XS1205619288	EUR	4,000,000.00	4,000,000.00	73.4204	2,936,816.00
							2,936,816.00
VUE INTERNATIONAL BIDCO	VEUCIN FLOAT	XS1135437280	EUR	7,000,000.00	7,000,000.00	102.5000	7,175,000.00
							7,175,000.00

Grosvenor Place CLO 2013-1 B.V.

Approximate Market Value as of 31-Mar-2017

Deutsche Bank

Issuer	Obligation	ISIN / CUSIP	CCY	Principal Balance (CCY)	Principal Balance (EUR)	Market Price	Market Value (EUR)
VWR FUNDING INC	TERM LOAN B 2	LX157040	EUR	1,766,489.63	1,766,489.63	100.8590	1,781,663.78
							1,781,663.78
WESTERN DIGITAL CORP	EURO TERM B-2 LOAN	LX155051	EUR	7,940,100.00	7,940,100.00	100.0560	7,944,546.46
							7,944,546.46
WIND ACQUISITION FINANCE SA	WINDIM FLOAT-15	XS1082635712	EUR	7,000,000.00	7,000,000.00	99.8717	6,991,019.00
							6,991,019.00
WITTUR HOLDING GMBH	FACILITY B2	LX142830	EUR	3,000,000.00	3,000,000.00	100.9220	3,027,660.00
							3,027,660.00
XELLA INTERNATIONAL GMBH	FACILITY G	LX144550	EUR	2,000,000.00	2,000,000.00	100.0000	2,000,000.00
							2,000,000.00
XPO LOGISTICS INC	XPO 5 3/4	XS1117295060	EUR	2,000,000.00	2,000,000.00	104.5272	2,090,544.00
							2,090,544.00
YELLOW MAPLE HOLDING B.V.	FACILITY B5	LX154204	EUR	3,000,000.00	3,000,000.00	101.1250	3,033,750.00
							3,033,750.00
YPSO HOLDING SA	EUR TERM LOAN B-10	LX155720	EUR	997,500.00	997,500.00	99.8270	995,774.33
YPSO HOLDING SA	EURO TERM LOAN B9	LX153091	EUR	2,463,893.69	2,463,893.69	100.0310	2,464,657.50
							3,460,431.82
							286,391,726.17

Grosvenor Place CLO 2013-1 B.V.

Current Pay Obligations as of 31-Mar-2017

Issuer Country	Industry Class : Fitch Moody's	Obligation	Maturity Date	Base Rate (%)	Coupon Margin (bps)	All In Interest Rate %	CCY	Principal Balance (CCY)	Principal Balance (EUR)

Nothing to report

Grosvenor Place CLO 2013-1 B.V.

Caa / CCC Obligations as of 31-Mar-2017

Deutsche Bank

Issuer Country	Industry Class : Fitch Industry Moody's Industry	Tranche	ISIN / CUSIP	Final Maturity Date	Base Rate %	Margin	All In Interest Rate %	Market Price	Moody's Rating	Fitch Rating	Original Currency	Current Notional Amount (EUR)
AXIOS BIDCO LIMITED												
United Kingdom	Banking & Finance											
	Services – Business											
		TERM EUR	LX148737	30-Nov-2022	0.000	475.0	4.750	92.000	Shadow	Shadow	EUR	4,609,299.05
		TERM EUR	LX148737	30-Nov-2022	0.000	475.0	4.750	92.000	Shadow	Shadow	EUR	890,700.95
CONSTELLIUM NV												
France	Industrial/Manufacturing											
	Metals & Mining											
		CSTMFP 4	XS1064882316	15-May-2021	0.000	0.0	4.625	97.595	B3	Shadow	EUR	4,000,000.00
PLATFORM SPECIALITY PRODUCTS CORPORATION												
United States	Chemicals											
	Chemicals, Plastics and Rubber											
		PAH 6	XS1175224747	01-Feb-2023	0.000	0.0	6.000	102.774	B2	Shadow	EUR	2,000,000.00
VRX ESCROW CORPORATION												
United States	Pharmaceuticals											
	Healthcare & Pharmaceuticals											
		VRXCN 4	XS1205619288	15-May-2023	0.000	0.0	4.500	73.420	B3	Shadow	EUR	4,000,000.00
												15,500,000.00

Grosvenor Place CLO 2013-1 B.V.

Exchange Equity Obligations as of 31-Mar-2017

Issuer	Country	Tranche	Final Maturity Date	Interest Rate (%)	Currency	Share Units

Nothing to report

Grosvenor Place CLO 2013-1 B.V.

Restructured Assets as of 31-Mar-2017

Issuer Name	Obligation	Obligor Name Prior to Restructuring/Amend and Extend	Effective Date	Before		After		CCY	Principal Balance (CCY)	Principal Balance (EUR)
				Spread (bps)	Maturity	Spread (bps)	Maturity			

Nothing to report

Grosvenor Place CLO 2013-1 B.V.

Liabilities as of 31-Mar-2017

Deutsche Bank

Issuer	Obligation	Maturity Date	Fitch Rating	Moody's Rating	Frequency / Coupon Date	Fixed / Floating	Interest Rate % / Spread (bps)	Factor	CCY	Coupon Amount (CCY)	Principal Balance (CCY)	Principal Balance (EUR)
Grosvenor Place CLO 2013-1 B.V.	GROSV 2013-1X A1	20-Oct-2026	AAA (sf)	Aaa (sf)	3 Months	Floating	1.071	1.00	EUR	541,695.00	202,125,000.00	202,125,000.00
					20-Apr-17		140.0					
Grosvenor Place CLO 2013-1 B.V.	GROSV 2013-1X A2	20-Oct-2026	AA (sf)	Aa2 (sf)	3 Months	Floating	1.771	1.00	EUR	205,441.25	46,375,000.00	46,375,000.00
					20-Apr-17		210.0					
Grosvenor Place CLO 2013-1 B.V.	GROSV 2013-1X B	20-Oct-2026	A (sf)	A2 (sf)	3 Months	Floating	2.671	1.00	EUR	140,280.00	21,000,000.00	21,000,000.00
					20-Apr-17		300.0					
Grosvenor Place CLO 2013-1 B.V.	GROSV 2013-1X C	20-Oct-2026	BBB (sf)	Baa2 (sf)	3 Months	Floating	3.521	1.00	EUR	161,700.00	18,375,000.00	18,375,000.00
					20-Apr-17		385.0					
Grosvenor Place CLO 2013-1 B.V.	GROSV 2013-1X D	20-Oct-2026	BB (sf)	Ba2 (sf)	3 Months	Floating	4.771	1.00	EUR	271,407.50	22,750,000.00	22,750,000.00
					20-Apr-17		510.0					
Grosvenor Place CLO 2013-1 B.V.	GROSV 2013-1X E	20-Oct-2026	B- (sf)	B2 (sf)	3 Months	Floating	5.771	1.00	EUR	164,141.25	11,375,000.00	11,375,000.00
					20-Apr-17		610.0					
Grosvenor Place CLO 2013-1 B.V.	GROSV 2013-1X SUB	20-Oct-2026	NR	NR	3 Months	Residual	0.000	1.00	EUR	0.00	39,550,000.00	39,550,000.00
					20-Apr-17		0.0					
												361,550,000.00

Grosvenor Place CLO 2013-1 B.V.

Liquidity Facility as of 31-Mar-2017

Issuer / Obligation	Moody's Rating / Fitch Rating	CCY	Maturity Date / Fixed / Floating	All In Rate % / Spread	Facility Interest	Facility Amount	Amount Outstanding at Begining of the Period / Amount Undrawn at Begining of the Period	Drawings / Repayment	Amount Outstanding at End of the Period / Amount Undrawn at End of the Period
Deutsche Bank AG, London Branch	A3/P-2	EUR	20-Oct-2017	0.650	6,500.00	4,000,000.00	0.00	4,000,000.00	4,000,000.00
Prefunded Commitment	A-/F1		Floating	65.000			4,000,000.00	0.00	0.00

Grosvenor Place CLO 2013-1 B.V.

Hedge Transactions as of 31-Mar-2017

Counterparty	Long Term Rating		Long Term Rating Requirement		Short Term Rating		Short Term Rating Requirement		Receive Current Notional	Receive Rate	Receive Fixed / Floating	Receive Index	Receive Date	Receive Amount Scheduled on Next Payment Date
	Fitch	Moody's	Moody's	Fitch	Fitch	Moody's	Moody's	Fitch						
Hedge Name									**Pay Current Notional**	**Pay Rate**	**Pay Fixed / Floating**	**Pay Index**	**Payment Date**	**Pay Amount Scheduled on Next Payment Date**

** Nothing to report **

Grosvenor Place CLO 2013-1 B.V.

Collateral Obligation Paying Interest Less Frequently Than Semi-Annually as of 31-Mar-2017

Issuer / Country	Industry Class : Fitch Industry / Moody's Industry	Tranche	Security ID	Final Maturity Date	Base Rate %	Margin	All In Interest Rate %	Fitch Recovery Rate	Moody's Recovery Rate	Market Price	Moody's	Fitch Rating	Original Currency	Current Notional Amount (CCY)	Current Notional Amount (EUR)
AXIOS BIDCO LIMITED	Banking & Finance														
United Kingdom	Services – Business														
		TERM EUR	LX148737	30-Nov-2022	0.000	475.0	4.750	36.000	45.000	92.00	Shadow	Shadow	EUR	4,609,299.05	4,609,299.05
															4,609,299.05

Grosvenor Place CLO 2013-1 B.V.

Collateral Obligation Subject to Withholding Tax as of 31-Mar-2017

Issuer / Country	Industry Class : Fitch Industry / Moody's Industry	Tranche	Security ID	Final Maturity Date	Base Rate %	Margin	All In Interest Rate %	Fitch Recovery Rate	Moody's Recovery Rate	Market Price	Moody's	Fitch Rating	Original Currency	Current Notional Amount (CCY)	Current Notional Amount (EUR)

Nothing to report

Grosvenor Place CLO 2013-1 B.V.

Risk Retention Letter as of 31-Mar-2017

"The Retention Holder has confirmed, as of the date of this Monthly Report, its compliance with the covenants set out in paragraph (a) and (b) of the Risk Retention Letter, namely that it has retained a material net economic interest in the transaction of not less than 5 % of the nominal value of each Class of Notes within the meaning of paragraph 1(a) of the CRD Retention Requirements and Art. 51(a) of the AIFMD Requirements and it agrees not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes or the underlying portfolio of Collateral Obligations, except to the extent required or permitted in accordance with the Retention Requirements."

Grosvenor Place CLO 2013-1 B.V.

Collateral Manager Commentary as of 31-Mar-2017

Deutsche Bank

Grosvenor Place CLO 2013-1 B.V. is close to being fully invested in Senior Secured Loans, Second Lien Loans and Fixed Rate Obligations with a total of 69 obligors spread across 18 industries.

Portfolio Commentary

Since the date of the last monthly report, there was limited trading activity in the portfolio. Just one sale was made where the portfolio completely exited its Frans Bonhomme position. This had the positive effect of reducing the portfolio's overall CCC Obligation exposure however, also served to lower the par value somewhat. As such, the Adjusted Collateral Principal Amount declined by approximately €301k to €349,253,126.67. Elsewhere, the portfolio continued to receive a number of significant paydowns as market conditions remain conducive for heightened refinancing activity. Notably, in the month, repayments in full returned from Corialis, Parex, Cegid Group and Technicolor. As of the end of the reporting period, with the exception of the Fitch Weighted Average Recovery Rate Test, the Moody's Diversity Test and the Weighted Average Life Test, all Collateral Quality Tests and Coverage Tests remain in compliance. With respect to the Portfolio Profile Tests, other than the single name Obligor concentration test (Secured Senior Obligations) and Cov-Lite Loan concentration test, all required thresholds remain satisfied.

Please note that, in the construction of the portfolio's weighted average spread, the calculation methodology prescribed in our documents requires the excess benefit of loans with EURIBOR floors (over the underlying index rate) to be added to the overall weighted average spread in the transaction. The underlying index rates used in this calculation have turned negative, and have been trending increasingly negative, such that loans with 0% floors are now captured. This is causing the calculation to be artificially inflated and the actual weighted average spread of the portfolio (including benefit of loans with numerical EURIBOR floors, typically 1%) is approximately +441bps.

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