ARBOUR CLO VIII DESIGNATED ACTIVITY COMPANY

(a designated activity company incorporated under the laws of Ireland with registered number 654157 and having its registered office in Ireland)

€2,000,000 Class X Senior Secured Floating Rate Notes due 2033
€174,700,000 Class A Senior Secured Floating Rate Notes due 2033
€20,000,000 Class B-1 Senior Secured Fixed Rate Notes due 2033
€10,800,000 Class B-2 Senior Secured Floating Rate Notes due 2033
€21,500,000 Class C Senior Secured Deferrable Floating Rate Notes due 2033
€17,800,000 Class D Senior Secured Deferrable Floating Rate Notes due 2033
€15,300,000 Class E Senior Secured Deferrable Floating Rate Notes due 2033
€250,000 Class M Notes due 2033
€33,700,000 Subordinated Notes due 2033

The assets securing the Notes will consist of a portfolio of primarily Senior Loans, Secured Senior Bonds, Mezzanine Obligations and High Yield Bonds managed by Oaktree Capital Management (Europe) LLP (the "**Collateral Manager**"), which term shall include its permitted successors and assigns pursuant to the terms of the Collateral Management Agreement.

Arbour CLO VIII Designated Activity Company (the "**Issuer**") will issue the Class X Notes, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes (each as defined herein) on or about 17 August 2020 (the "**Issue Date**").

The €2,000,000 Class X Senior Secured Floating Rate Notes due 2033 (the "**Class X Notes**"), the €174,700,000 Class A Senior Secured Floating Rate Notes due 2033 (the "**Class A Notes**"), the €20,000,000 Class B-1 Senior Secured Fixed Rate Notes due 2033 (the "**Class B-1 Notes**"), the €10,800,000 Class B-2 Senior Secured Floating Rate Notes due 2033 (the "**Class B-2 Notes**" and, together with the Class B-1 Notes, the "**Class B Notes**"), the €21,500,000 Class C Senior Secured Deferrable Floating Rate Notes due 2033 (the "**Class C Notes**"), the €17,800,000 Class D Senior Secured Deferrable Floating Rate Notes due 2033 (the "**Class D Notes**"), the €15,300,000 Class E Senior Secured Deferrable Floating Rate Notes due 2033 (the "**Class E Notes**") and, together with the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the "**Rated Notes**"), the €250,000 Class M Notes due 2033 (the "**Class M Notes**") and €33,700,000 Subordinated Notes due 2033 (the "**Subordinated Notes**" and, together with the Rated Notes and the Class M Notes, the "**Notes**") will be issued and secured pursuant to a trust deed dated the Issue Date (the "**Trust Deed**"), made between (amongst others) the Issuer and BNY Mellon Corporate Trustee Services Limited, in its capacity as trustee (the "**Trustee**").

The Issuer expects to be a "covered fund" for the purposes of the Volcker Rule. See "*Risk Factors – Other Regulatory Considerations – Volcker Rule*".

Interest on the Notes will be payable (a) quarterly in arrear on 15 January, 15 April, 15 July and 15 October prior to the occurrence of a Frequency Switch Event (as defined herein) and semi-annually in arrear on 15 January and 15 July (where the Payment Date (as defined herein) immediately following the occurrence of a Frequency Switch Event falls in either January or July) or 15 April and 15 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) following the occurrence of a Frequency Switch Event (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 15 April 2021 and ending on the Maturity Date (as defined below), (b) on any Redemption Date and (c) on any Unscheduled Payment Date (as defined herein), in each case 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 Regulation 2017/1129/EU (as such regulation may be amended or superseded from time to time, the "**Prospectus Regulation**"). The Issuer is not offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Regulation. Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin

("**Euronext Dublin**") for the Notes to be admitted to the Official List (the "**Official List**") and trading on the Global Exchange Market of Euronext Dublin (the "**Global Exchange Market**"). It is anticipated that listing and admission to trading of the Notes will take place on or about the Issue Date. There can be no assurance that any such approval will be granted or, if granted that such listing and admission to trading will be maintained. This Offering Circular constitutes listing particulars for the purpose of such application. Application has been made to Euronext Dublin for the approval of this document as listing particulars.

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 a Note Event of Default (as defined herein) may be insufficient to pay all amounts due to the Noteholders (as defined herein) 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 Irish Account and the rights of the Issuer under the Corporate Services 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(c) (*Limited Recourse and Non-Petition*).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered only: (a) outside the United States to 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 (or, in the case of Definitive Certificates, will be required to make) certain acknowledgements, representations and agreements. See "*Plan of Distribution*" and "*Transfer Restrictions*".

The Notes are being offered by the Issuer through Barclays Bank PLC or an affiliate thereof in its capacity as initial purchaser of the offering of such 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. The Initial Purchaser may offer the Notes at prices as may be negotiated at the time of sale which may vary among different purchasers and which may be different to the issue price of the Notes.

Barclays Bank PLC
Sole Arranger and Initial Purchaser

The date of this Offering Circular is 14 August 2020.

The Issuer accepts responsibility for the information contained in this document 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), such information 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 – Certain Conflicts of Interest – Collateral Manager" and "The Collateral Manager" and the first sentence of the third paragraph of "Risk Factors – Other Regulatory Considerations – Risk Retention and Due Diligence – U.S. Risk Retention Rules". 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". 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 Retention Holder accepts responsibility for the information contained in the penultimate paragraph of "Risk Factors – Other Regulatory Considerations – Risk Retention and Due Diligence – EU Risk Retention and Due Diligence" and the sections of this document headed "The Retention Holder and the EU Retention and Transparency Requirements – Description of the Retention Holder" and "The Retention Holder and the EU Retention and Transparency Requirements – Origination of Collateral Debt Obligations". To the best of the knowledge and belief of the Retention Holder (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 – Certain Conflicts of Interest – Collateral Manager", "The Collateral Manager" and the first sentence of the third paragraph of "Risk Factors – Other Regulatory Considerations – Risk Retention and Due Diligence – U.S. Risk Retention Rules" in the case of the Collateral Manager, "Description of the Collateral Administrator", in the case of the Collateral Administrator and the penultimate paragraph of "Risk Factors – Other Regulatory Considerations – Risk Retention and Due Diligence – EU Risk Retention and Due Diligence" and the sections of this document headed "The Retention Holder and the EU Retention and Transparency Requirements – Description of the Retention Holder" and "The Retention Holder and the EU Retention and Transparency Requirements – Origination of Collateral Debt Obligations", in the case of the Retention Holder, none of the Collateral Manager, the Collateral Administrator nor the Retention Holder 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 Sole Arranger, the Initial Purchaser, the Trustee, the Collateral Manager (save in respect of the sections headed "Risk Factors – Certain Conflicts of Interest – Collateral Manager", "The Collateral Manager" and the first sentence of the third paragraph of "Risk Factors – Other Regulatory Considerations – Risk Retention and Due Diligence – U.S. Risk Retention Rules"), the Collateral Administrator (save in respect of the section headed "Description of the Collateral Administrator"), any Agent, any Hedge Counterparty, the Retention Holder (save in respect of the penultimate paragraph of "Risk Factors – Other Regulatory Considerations – Risk Retention and Due Diligence – EU Risk Retention and Due Diligence" and the sections of this document headed "The Retention Holder and the EU Retention and Transparency Requirements – Description of the Retention Holder" and "The Retention Holder and the EU Retention and Transparency Requirements – Origination of Collateral Debt Obligations") or any other party has separately verified the information contained in this Offering Circular and, accordingly, none of the Sole Arranger, the Initial Purchaser, the Trustee, the Collateral Manager (save as specified above), the Collateral Administrator (save as specified above), any Agent, any Hedge Counterparty, the Retention Holder (save as specified above) 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 Sole Arranger, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent, any Hedge Counterparty or the Retention Holder shall be responsible for, any matter which is the subject of any statement, representation, warranty or covenant of the Issuer contained in the Notes or any Transaction Documents, or any other agreement or document relating to the Notes or any Transaction Document, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof None of the Sole Arranger, the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent, any Hedge Counterparty or the Retention Holder 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 Sole Arranger, the Initial Purchaser, the Trustee, the Collateral Manager (save as specified above), the Collateral Administrator (save as specified above), any Agent, any Hedge Counterparty, the Retention Holder (save 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 or any of their Affiliates, the Collateral Manager, the Collateral Administrator, or, in each case, any of their respective Affiliates, corporate officers or professional advisors or any other person to subscribe for or purchase any of the Notes. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Sole Arranger 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 the Notes and distribution of this Offering Circular, see "Plan of Distribution" and "Transfer Restrictions" below.*

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

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 Sole Arranger, the Initial Purchaser, the Trustee, the Collateral Manager, the Retention Holder 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 and any references to "Sterling" shall mean the lawful currency of the United Kingdom.*

Each of Fitch Ratings Limited and S&P Global Ratings Europe Limited are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended).

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 Barclays Bank PLC will not be acting as stabilising manager in respect of the Notes.

IRISH REGULATORY POSITION

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

EU RETENTION AND TRANSPARENCY REQUIREMENTS

In relation to the reporting obligations in the EU Transparency Requirements, (a) the Issuer will undertake to be designated as the entity responsible to fulfil such reporting obligations and to adhere to its obligations in respect thereof and (b) the Collateral Manager will undertake to reasonably assist the Issuer in complying with its obligations under the EU Transparency Requirements, including by providing to the Collateral Administrator (or any applicable third party reporting entity) any reports, data and other information required for compliance by the Issuer with the EU Transparency Requirements (save to the extent such reports, data and/or other information has already been provided to, or is already available to, the Collateral Administrator (or such applicable third party reporting entity)) *provided* that the Collateral Manager shall not be responsible or liable for failing to provide any reports, data and other information that the Collateral Manager is unable to procure or source using reasonable efforts. Prior to the adoption of final disclosure templates in respect of the EU Transparency Requirements, the Issuer intends to fulfil those requirements contained in subparagraphs (a) and (e) of Article 7(l) of the Securitisation Regulation through the Payment Date Reports and the Monthly Reports, see "*Description of the Reports*" and as soon as reasonably practicable following the adoption of the final reporting templates pursuant to the EU Transparency Requirements, the Issuer and the Collateral Manager will propose in writing to the Collateral Administrator the form, content, timing and method of distribution of the additional reporting templates and information relating thereto. The Collateral Administrator shall consult with the Issuer and the Collateral Manager and, if it agrees to assist the Issuer with such reporting on such proposed terms, shall confirm in writing to the Issuer and the Collateral Manager. If the Collateral Administrator agrees to assist the Issuer with such reporting, the Collateral Administrator shall make such information, including each Loan Report and each Investor Report, available via a secured website (available at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser and each Hedge Counterparty and as notified by the Issuer (with reasonable assistance, if the Issuer so requires, from the Collateral Manager) to each Rating Agency and the Noteholders from time to time)) (or by such other method of dissemination as is required or permitted by the Securitisation Regulation (as instructed by the Issuer (or the Collateral Manager on its behalf) and as agreed with the Collateral Administrator)) to any person who certifies to the Collateral Administrator (which certification may be given electronically and upon which certification the Collateral Administrator may rely absolutely) that it is (i) the Issuer, (ii) the Trustee, (iii) the Collateral Manager, (iv) the Initial Purchaser, (v) a Hedge Counterparty, (vi) a Rating Agency, (vii) a Noteholder, (viii) a Competent Authority or (ix) a potential investor in the Notes. If the Collateral Administrator does not agree to assist the Issuer with such reporting, the Issuer and the Collateral Manager shall appoint another entity to make such information available, *provided* that, if the Collateral Administrator does not agree to provide such reporting, it will use reasonable endeavours to assist (at the request and cost of the Issuer) the Issuer in transferring all relevant information held by it to such other service provider.

For the avoidance of doubt, if the Collateral Administrator agrees to assist the Issuer with such information and reporting on behalf of the Issuer, the Collateral Administrator will not assume any responsibility for the Issuer's obligations as the entity responsible for fulfilling the reporting obligations under the EU Transparency Requirements. In making available such information and reporting, the Collateral Administrator also assumes no responsibility or liability to any third party, including the Noteholders and any potential Noteholders (including for their use or onward disclosure of any such information or documentation), and shall have the benefit of the powers, protections and indemnities granted to it under the Transaction Documents.

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 and the transaction's structure are sufficient to comply with the EU Retention and Transparency Requirements or any similar retention requirements. Notwithstanding anything in this Offering Circular, none of the Issuer, the Collateral Manager, the Sole Arranger, the Initial Purchaser, the Retention Holder, the Collateral Administrator, the Agents, the Trustee, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information or structure 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 structure or any failure of the transactions contemplated hereby to satisfy or otherwise comply with the requirements of the EU Retention and Transparency Requirements, the implementing provisions in respect of the EU Retention and Transparency Requirements in their relevant jurisdiction or any other applicable legal, regulatory, or other requirements. Each prospective investor in the Notes which is subject to the EU Retention and Transparency Requirements or any other regulatory requirement should consult with its own legal, regulatory 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 EU Retention and Transparency Requirements or similar requirements of which it is uncertain. See "*Risk Factors - Other Regulatory Considerations*", "*Risk Factors – Certain Conflicts of Interest – Collateral Manager - Restrictions on the*

Discretion of the Collateral Manager in Order to Comply with Risk Retention" and "*The Retention Holder and the EU Retention and Transparency Requirements*" below.

VOLCKER RULE

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**") relevant banking entities (as defined under the Volcker Rule (which would include non-U.S. affiliates of U.S. banking entities, regardless where such affiliates are located)) are generally prohibited from, among other things, (i) engaging in proprietary trading 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) acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to in the Volcker Rule as covered funds, except as otherwise permitted by the Volcker Rule. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds with respect to which such banking entity serves as the sponsor, investment manager, investment adviser or similar role. Subject to certain exceptions and extensions, full conformance with the Volcker Rule was required from 21 July 2015. In general, there is limited interpretive guidance regarding the Volcker Rule.

Key terms are defined under the Volcker Rule, including "banking entity", "ownership interest", "sponsor" and "covered fund". In particular, "banking entity" is defined to include a banking institution organised in the United States and any of its affiliates, regardless of where such affiliate is located or organised and also includes a banking institution organised outside the United States with a branch or agency office in the U.S. and any of its affiliates, regardless where such affiliates are located, and "covered fund" is defined to include an issuer that would be an investment company, as defined in the U.S. Investment Company Act of 1940 (the "**Investment Company Act**") but for section 3(c)(1) or 3(c)(7) thereof, subject to certain exemptions and exclusions found in the Volcker Rule's implementing regulations, which definition would extend to the Issuer given its intention to rely on section 3(c)(7). It should also be noted that an "ownership interest" is broadly defined to include, among other things, an interest arising through a holder's exposure to profits and losses in the covered fund or through any rights of the holder to participate in the selection or removal of, among others, an investment manager or advisor, trustee, general partner, member of the board of directors or similar governing body of such covered fund. It should be noted that the Subordinated Notes will be characterised as ownership interests in the Issuer for this purpose. It is uncertain as to whether any of the Rated Notes may be similarly characterised as ownership interests. For instance, there is currently uncertainty as to whether the rights of Noteholders to participate in the removal of, and/or selection of a replacement for, the Collateral Manager in circumstances where such rights are only exercisable following a Collateral Manager Event of Default will be construed as indicative of an ownership interest by the Noteholders of the relevant Class of Notes. If the Issuer is deemed to be a covered fund then in the absence of regulatory relief such prohibitions may have adverse effects on the Issuer and the liquidity and value of the Notes including limiting the secondary market of the Notes and affecting the Issuer's access to liquidity and ability to hedge its exposures.

The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes may be issued and held in the form of CM Non-Voting Notes or CM Exchangeable Non-Voting Notes. Holders of such form of Notes will not be entitled to vote on any CM Removal Resolution or CM Replacement Resolution. Accordingly, U.S. and non-U.S. banking entities investing in the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will have the option of investing in Notes that do not by their terms carry a right to remove or select the replacement for the Collateral Manager. Furthermore, the Class X Notes do not by their terms carry a right to remove or select the replacement for the Collateral Manager. There can be no assurance however, that owning such form of Notes or Class X Notes will be effective in resulting in such investments in the Issuer held by U.S. and non-U.S. banking entities subject to the Volcker Rule (whether in the form of CM Non-Voting Notes or CM Exchangeable Non-Voting Notes) not being characterised as "ownership interests" in the Issuer.

In 2018, the five federal agencies responsible for implementing the Volcker Rule approved for issuance a notice of proposed rulemaking which would amend certain aspects of the implementing regulations not relevant to this transaction. As part of that notice, though, the agencies also requested public comment on the need for potential changes to virtually all aspects of the implementing regulations, including those aspects of the regulations relevant to securitisations and their treatment under the Volcker Rule's covered fund provisions. In 2019, these agencies adopted final regulations consistent with the amendments proposed in 2018. In addition, in June 2020, these agencies adopted additional amendments to the final regulations, including changes relevant to the treatment of securitisations, which amendments become effective in October 2020. In particular, these recent amendments narrow the definition of "ownership interest," ease certain aspects of the loan securitisation exclusion, and create additional exclusions from the "covered fund" definition. It is unclear at this time whether any additional amendments to the Volcker Rule regulations will be proposed or adopted, and whether any such changes will

affect the ability of banking entities to acquire and retain any of the Notes or to exercise voting rights with respect to the selection or replacement of the Collateral Manager.

Each prospective investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Issuer, the Collateral Manager, the Retention Holder, the Initial Purchaser or the Sole Arranger makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Notes of any Class (including the Rated Notes), now or at any time in the future. See "*Risk Factors – Other Regulatory Considerations – Volcker Rule*" below for further information.

Information as to placement within the United States

The Notes of each Class offered pursuant to an exemption from registration under Rule 144A under the Securities Act ("**Rule 144A**") (the "**Rule 144A Notes**") 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 (other than, in certain circumstances as described below, the Class E Notes and the Subordinated Notes) 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 common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), Luxembourg or in the case of Rule 144A Definitive Certificates, the registered holder thereof. The 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 (other than, in certain circumstances as described below, the Class E Notes and the Subordinated Notes) 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 and Clearstream, Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Except in the limited circumstances described herein, Notes in definitive, certificated, fully registered form will not be issued 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 United States) will be deemed (or, in the case of a Definitive Certificate, required) to have represented and agreed that it is both a QIB and a QP and will also be deemed or required 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 (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 making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes and the offering thereof described herein, including the merits and risks involved.

THE NOTES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH, OR APPROVED BY, ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED

UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

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.

No person is authorised to give any information or to make any representation in connection with the offering or sale of the Notes other than those contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee, the Sole Arranger, the Initial Purchaser, the Collateral Manager or the Retention Holder or any of their respective affiliates or advisers. Neither the delivery of this Offering Circular nor any sale or allotment made in connection with the offering of the Notes shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer in the other information contained herein since the date hereof. The information contained in this Offering Circular was obtained from the Issuer and the other sources identified herein, but no assurance can be given by the Trustee, the Sole Arranger, the Initial Purchaser, the Collateral Manager or the Retention Holder as to the accuracy or completeness of such information. None of the Trustee, the Sole Arranger, the Initial Purchaser, the Collateral Manager or the Retention Holder have separately verified the information contained herein. Accordingly, none of the Trustee, the Sole Arranger, the Initial Purchaser the Collateral Manager or the Retention Holder makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular or any document or agreement relating to the Notes or any Transaction Document. None of the Sole Arranger, the Initial Purchaser, the Collateral Manager or the Retention Holder shall be responsible for any matter which is the subject of any statement, representation, warranty or covenant of the Issuer contained in the Notes or any Transaction Documents, or any other agreement or document relating to the Notes or any Transaction Document, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The contents of this Offering Circular should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Notes.

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 of a Note sold in reliance on Rule 144A who is a QIB 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 NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE SOLE ARRANGER, THE INITIAL PURCHASER, THE COLLATERAL MANAGER, THE RETENTION HOLDER OR THE COLLATERAL ADMINISTRATOR (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED, PLEDGED, 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.

Commodity Pool Regulation

BASED UPON INTERPRETIVE GUIDANCE PROVIDED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**"), 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 U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "**CEA**")) FOLLOWING RECEIPT OF LEGAL ADVICE FROM REPUTABLE COUNSEL TO THE EFFECT THAT NONE OF THE ISSUER, ITS DIRECTORS OR OFFICERS, OR THE COLLATERAL MANAGER OR ANY OF ITS DIRECTORS, OFFICERS OR EMPLOYEES, SHOULD BE REQUIRED TO REGISTER WITH THE CFTC AS EITHER A "COMMODITY POOL OPERATOR" ("**CPO**") OR A "COMMODITY TRADING ADVISOR" ("**CTA**") (AS SUCH TERMS ARE DEFINED IN THE CEA) IN RESPECT OF THE ISSUER. IN THE EVENT THAT TRADING OR ENTERING INTO HEDGE AGREEMENTS WOULD RESULT IN THE ISSUER'S ACTIVITIES FALLING WITHIN THE DEFINITION OF A "COMMODITY POOL" UNDER THE CEA, THE COLLATERAL MANAGER WOULD EITHER SEEK TO UTILISE ANY EXEMPTIONS FROM REGISTRATION AS A CPO AND/OR A CTA WHICH THEN MAY BE AVAILABLE, OR SEEK TO REGISTER AS A CPO/CTA. ANY SUCH EXEMPTION MAY IMPOSE ADDITIONAL COSTS ON THE COLLATERAL MANAGER, AND MAY SIGNIFICANTLY LIMIT ITS ABILITY TO ENGAGE IN HEDGING ACTIVITIES ON BEHALF OF THE ISSUER. See "*Risk Factors – Other Regulatory Considerations – Commodity Pool Regulation*".

MiFID II

Solely for the purposes of the manufacturer's (the "**Manufacturer**") product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the Manufacturer's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs

This Offering Circular is not a prospectus for the purposes of the Prospectus Regulation (as defined below).

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**") or in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

APPLICABILITY OF EU LAW IN THE UK

THE UK WITHDREW FROM AND CEASED TO BE A MEMBER STATE OF THE EU AT 11:00 P.M. GMT ON 31 JANUARY 2020. THE NEGOTIATED WITHDRAWAL AGREEMENT ENTERED INTO BETWEEN THE UK AND THE EU PROVIDES FOR A TRANSITION PERIOD, COMMENCING ON 31 JANUARY 2020 AND ENDING AT 11.00 P.M. GMT ON 31 DECEMBER 2020, UNLESS EXTENDED BY A SINGLE DECISION FOR UP TO ONE OR TWO YEARS (SUCH PERIOD, THE "**TRANSITION PERIOD**"). UNLESS OTHERWISE PROVIDED IN THE NEGOTIATED WITHDRAWAL AGREEMENT, EU LAW WILL BE APPLICABLE TO AND IN THE UK DURING THE TRANSITION PERIOD. ACCORDINGLY, DURING THE TRANSITION PERIOD ANY REFERENCES IN THIS OFFERING CIRCULAR TO THE "EU" AND ITS "MEMBER STATES" IN THE CONTEXT OF EU LEGISLATION AND THE APPLICATION THEREOF SHALL BE INTERPRETED SO AS TO INCLUDE THE UK (EXCEPT WHERE EXPRESSLY INDICATED OTHERWISE).

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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 of the Notes" below or are defined elsewhere in this Offering Circular. An index of defined terms appears at the back of this Offering Circular. References to a "**Condition**" are to the specified Condition in the "Terms and Conditions of the Notes" below and references to "**Conditions of the Notes**" are to the "Terms and Conditions of the Notes" below. For a discussion of certain risk factors to be considered in connection with an investment in the Notes, see "Risk Factors"*

Issuer.....	Arbour CLO VIII Designated Activity Company, a designated activity company incorporated under the laws of Ireland with registered number 654157 and having its registered office at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.
Collateral Manager.....	Oaktree Capital Management (Europe) LLP.
Trustee.....	BNY Mellon Corporate Trustee Services Limited.
Initial Purchaser.....	Barclays Bank PLC or an affiliate thereof.
Collateral Administrator.....	The Bank of New York Mellon SA/NV, Dublin Branch.
Information Agent.....	The Bank of New York Mellon SA/NV, Dublin Branch.

Class of Notes	Principal Amount	Initial Stated Interest Rate[1,2]	Alternative Stated Interest Rate[3]	Fitch Rating of at least[4]	S&P Rating of at least[4]	Maturity Date	Initial Offer Price[5]
X	€2,000,000	3 month EURIBOR + 0.70%	6 month EURIBOR + 0.70%	"AAAsf"	"AAA (sf)"	15 July 2033	100.00%
A	€174,700,000	3 month EURIBOR + 1.45%	6 month EURIBOR + 1.45%	"AAAsf"	"AAA (sf)"	15 July 2033	100.00%
B-1	€20,000,000	2.55%	2.55%	"AAsf"	"AA (sf)"	15 July 2033	100.00%
B-2	€10,800,000	3 month EURIBOR + 2.10%	6 month EURIBOR + 2.10%	"AAsf"	"AA (sf)"	15 July 2033	100.00%
C	€21,500,000	3 month EURIBOR + 2.90%	6 month EURIBOR + 2.90%	"Asf"	"A (sf)"	15 July 2033	100.00%
D	€17,800,000	3 month EURIBOR + 4.00%	6 month EURIBOR + 4.00%	"BBB-sf"	"BBB (sf)"	15 July 2033	100.00%
E	€15,300,000	3 month EURIBOR + 6.13%	6 month EURIBOR + 6.13%	"BB- sf"	"BB- (sf)"	15 July 2033	95.00%
M	€250,000	Variable%[5,6]	Variable%[5,6]	Not Rated	Not Rated	15 July 2033	0.01%
Subordinated	€33,700,000	N/A	N/A	Not Rated	Not Rated	15 July 2033	100.00%

1. Applicable at all times prior to the occurrence of a Frequency Switch Event, *provided* that the rate of interest of the Rated Notes of each Class (other than the Class B-1 Notes) for the period from, and including, the Issue Date to, but excluding, 15 April 2021, will be determined by reference to a straight line interpolation of 6 month EURIBOR and 12 month EURIBOR.

2. Any Class of Rated Notes may be issued with a fixed rate, a floating rate or a combination of both.

3. Applicable at all times following the occurrence of a Frequency Switch Event, *provided* that the rate of interest of the Floating Rate Notes for the period from and including the final Payment Date before the Maturity Date, to but excluding the Maturity Date if such final Payment Date falls in 15 April 2033, will be determined by reference to 3 month EURIBOR.

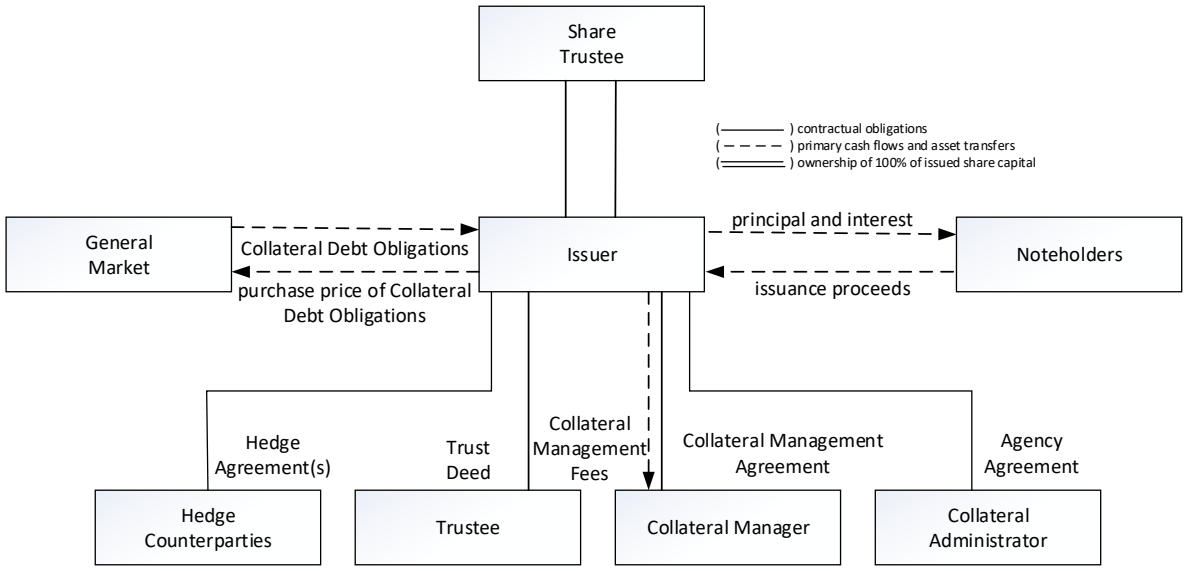
4. The S&P ratings and the Fitch ratings assigned to the Class X Notes, the Class A Notes and the Class B Notes address the timely payment of interest and the ultimate payment of principal. The S&P ratings and the Fitch ratings assigned to the Class C Notes, the Class D Notes and the Class E Notes address 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**"). 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.

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

6. The Class M Notes will receive payments of 0.03 per cent. *per annum* of the Aggregate Collateral Balance in respect of the Senior Class M Interest Amounts and 0.05 per cent. *per annum* of the Aggregate Collateral Balance in respect of the Subordinated Class M Interest Amounts, measured as of the beginning of the Due Period (payable *pari passu* with the Senior Collateral Management Fee and Subordinated Collateral Management Fee respectively).

7. Payment of interest on the Class M Notes and the Subordinated Notes will be made on an available funds basis in accordance with the Priorities of Payment.

Diagrammatic Overview of the Transaction, Cash Flows and Ownership Structure



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

(a) outside of the United States to non-U.S. Persons (as defined in Regulation S) in "offshore transactions" in reliance on Regulation S; and

(b) within the United States to persons and outside the United States to U.S. Persons, in each case, who are QIB/QPs in reliance on Rule 144A.

Payment Dates ..... 15 January, 15 April, 15 July and 15 October prior to the occurrence of a Frequency Switch Event and on 15 January and 15 July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July) or on 15 April and 15 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) following the occurrence of a Frequency Switch Event, in each year commencing on 15 April 2021 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).

Subject to the prior redemption in full of the Rated Notes, the Issuer or the Collateral Manager on its behalf may (and shall, in either case, if so directed by an Ordinary Resolution of the Subordinated Noteholders) designate a Business Day other than a Scheduled Payment Date as an Unscheduled Payment Date (see Condition 3(l) (*Unscheduled Payment Dates*)).

Interest ..... Interest in respect of the Notes of each Class will be payable quarterly in arrear prior to the occurrence of a Frequency Switch Event and semi-annually in arrear following the occurrence of a Frequency Switch Event, in each case on each Payment Date (with the first Payment Date occurring on 15 April 2021) in accordance with the Interest Proceeds Priority of Payments.

Interest payments on the Class M Notes shall only be made to the extent that Interest Proceeds and Principal Proceeds are available to pay Interest Amounts on the Class M Notes subject to and in accordance with the Priorities of Payments (and only following the reduction of the Principal Amount Outstanding thereof to an amount

	equal to €1.00 in accordance with Condition 7(l) (*Mandatory Redemption of Class M Notes*)) and will be calculated as a proportion of the Aggregate Collateral Balance measured as of the beginning of the related Due Period.
Non-Payment and Deferral of Interest	Subject to the paragraph below, failure on the part of the Issuer to pay the Interest Amounts due and payable on the Rated Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payments shall not be a Note Event of Default unless and until such failure continues for a period of at least five Business Days save in the case of administrative error or omission only, where such failure continues for a period of at least seven Business Days. Unless a Frequency Switch Event has occurred and the relevant Class of Notes is the Controlling Class at such time, non-payment of any Interest Amount due and payable in respect of the Class C Notes, the Class D Notes, the Class E Notes or the Subordinated Notes on any Payment Date pursuant to Condition 6 (*Interest*) and the Priorities of Payments as a result of an insufficiency of Interest Proceeds will not constitute a Note Event of Default, even if such Class of Notes is the Controlling Class. To the extent that interest payments on the Class C Notes, the 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 on such Classes of Notes will be added to the principal amount of the Class C Notes, the 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 Class of Notes (see Condition 6(c) (*Deferral of Interest*)). Non-payment of amounts due and payable on the Class M Notes and the Subordinated Notes as a result of the insufficiency of available Interest Proceeds, Principal Proceeds or Collateral Enhancement Obligation Proceeds will not constitute a Note Event of Default. Failure on the part of the Issuer to pay Interest Amounts as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*) will not constitute a Note Event of Default.
Redemption of the Notes	Principal payments on the Notes may be made in the following circumstances: (a) on the Maturity Date; (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) (see Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*)); (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, either (x) the Issuer, at the direction of the Collateral Manager, shall purchase additional Collateral Debt Obligations until an Effective Date Rating Event is no longer continuing or (y) 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 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) (i) if the Reinvestment Overcollateralisation Test is not satisfied and the Collateral Manager determines that it is unable to identify such additional Collateral Debt Obligations that it considers appropriate for reinvestment; and (ii) following written notification by the Collateral Manager to the Trustee that, using reasonable endeavours, it has been unable, for a period of at least 20 consecutive Business Days, to identify a sufficient quantity of additional Collateral Debt Obligations or Substitute Collateral Debt Obligations in which to invest or reinvest Principal Proceeds or Interest Proceeds (see Condition 7(d) (*Special Redemption*));

(f) in whole (with respect to all Classes of Rated Notes), but not in part, on any Business Day following the expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) if directed in writing by (i) the Retention Holder or (ii) the Subordinated Noteholders acting by way of an Ordinary Resolution (see Condition 7(b)(i)(A) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*));

(g) in part by the redemption in whole of one or more Classes of Rated Notes from Refinancing Proceeds on any Business Day following the expiry of the Non-Call Period if directed in writing by the Collateral Manager or the Subordinated Noteholders (acting by way of an Ordinary Resolution), as long as the Class (or tranche, in relation to the Class B Notes) of Rated Notes to be redeemed represents not less than the entire Class (or tranche, in relation to the Class B Notes) of such Rated Notes (see Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*));

(h) in whole (with respect to all Classes of Rated Notes) but not in part from Sale Proceeds on any Business Day following the expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period the Aggregate Collateral Balance is less than 20 per cent. of the Target Par Amount and if directed in writing by the Collateral Manager (see Condition 7(b)(iii) (*Optional Redemption in Whole – Collateral Manager Clean-up Call*));

(i) on any Business Day the Subordinated Notes may be redeemed in whole at the direction of the Subordinated Noteholders acting by way of Ordinary Resolution or at the direction of the Collateral Manager following the redemption in full of all Classes of Rated Notes (see Condition 7(b)(viii) (*Optional Redemption of Subordinated Notes*));

(j) on any Business Day 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 Ordinary Resolution (see Condition 7(b)(i)(B) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*));

(k) on any Payment Date in whole (with respect to all Classes of Notes) at the option of the Controlling Class or the Subordinated Noteholders 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 cure the Note Tax Event and (ii) certain minimum time periods (see Condition 7(g) (*Redemption following Note Tax Event*));

(l) at the discretion of the Trustee, or at the request of the Controlling Class acting by Ordinary Resolution at any time following a Note Event of Default which occurs and is continuing and has not been cured (see Condition 10 (*Events of Default*));

(m) the Class M Notes shall be subject to mandatory redemption in part on each Payment Date commencing on the first Payment Date, in each case in an amount equal to the Senior Class M Interest Amount and Subordinated Class M Interest Amount available on such Payment Date subject to and in accordance with the Priorities of Payment on an available funds basis until the Principal Amount Outstanding thereof has been reduced to an amount equal to €1.00 (see Condition 7(l) (*Mandatory Redemption of Class M Notes*)); and

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

Non-Call Period ..... During the period from the Issue Date up to, but excluding, 15 July 2021 or, if such date is not a Business Day, the next following Business Day (the "**Non-Call Period**"), the Notes are not subject to Optional Redemption (save for upon the occurrence of a Collateral Tax Event, a Note Tax Event or as a result of a Special Redemption). See Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*), Condition 7(g) (*Redemption following Note Tax Event*) and Condition 7(d) (*Special Redemption*).

Redemption Prices ..... The Redemption Price of each Class of Rated Notes and the Class M 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 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 (AA) of the Interest Proceeds Priority of Payments, paragraph (Q) of the Principal Proceeds Priority of Payments, paragraphs (B) and (C) of the Collateral Enhancement Obligation Proceeds Priority of Payments and/or paragraph (W) 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.

Priorities of Payments.....	Prior to an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) or, following an acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) by way of the delivery of an Acceleration Notice (actual or deemed), which Acceleration Notice has 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 Condition 7(g) (*Redemption following Note Tax Event*), Interest Proceeds will be applied in accordance with the Interest Proceeds Priority of Payments, and Principal Proceeds will be applied in accordance with the Principal Proceeds 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 (actual or deemed) 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. Refinancing Proceeds and Partial Redemption Interest Proceeds will be applied in accordance with the Partial Redemption Priority of Payments on any Partial Redemption Date. See Condition 3(k) (*Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date*). Collateral Enhancement Obligation Proceeds will be applied in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments both prior to and following an acceleration of the Notes. See Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*).
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 Debt Obligations predominantly consisting of Senior Loans, Secured Senior Bonds, Mezzanine Obligations and High Yield Bonds. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of the Issuer Irish Account and the Corporate Services Agreement. See Condition 4 (*Security*).
Hedge Arrangements.....	The Issuer will not be permitted to enter into a Hedge Agreement to hedge interest rate risk and/or currency risk unless such Hedge Agreement complies with the Hedge Agreement Eligibility Criteria. Notwithstanding the above, if the Collateral Manager determines (acting in accordance with the standard of care set out in the Collateral Management Agreement), that entry into a Hedge Agreement would require registration of the Collateral Manager as a commodity pool operator with respect to, and at the expense of, the Issuer, the Issuer will not be permitted to enter into such Hedge Agreement unless such registration is made by the Collateral Manager. The Issuer will also be obliged to obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless the Hedge Agreement relating to such hedging arrangement is in a form in respect of which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has previously received approval from each Rating Agency. See "*Hedging Arrangements*".

Non-Euro Obligations and Asset Swap Transactions	Subject to the Eligibility Criteria, the Issuer or the Collateral Manager on its behalf may purchase Collateral Debt Obligations that are denominated in a currency other than Euro (each, a "**Non-Euro Obligation**") *provided* that (A) an Asset Swap Transaction is entered into in respect of each such Non-Euro Obligation with one or more Asset Swap Counterparties satisfying the applicable Rating Requirement under which the currency risk is eliminated, either (a) if such Non-Euro Obligation was acquired in the Primary Market and is denominated in a Qualifying Unhedged Obligation Currency, within six months of the settlement date of acquisition thereof, or otherwise (b) no later than the settlement of the acquisition thereof; and (B) the Aggregate Principal Balance of all Unhedged Collateral Debt Obligations shall not exceed 2.5 per cent. of the Aggregate Collateral Balance at any time. Each Asset Swap Transaction will hedge the currency risk arising from the receipt of certain cash flows from the relevant Non-Euro Obligation, including interest and principal payments thereon. Each Asset Swap Transaction will terminate on the maturity date of the Non-Euro Obligation and in the other circumstances specified therein. See "*The Portfolio – Non-Euro Obligations*" and "*Hedging Arrangements*".
Interest Rate Hedging	The Issuer (or the Collateral Manager on its behalf) may enter into Interest Rate Hedge Transactions from time to time in order to hedge any interest rate mismatch between the Notes (other than the Subordinated Notes) and the Collateral Debt Obligations, subject to the receipt of Rating Agency Confirmation in respect thereof unless it is in a form in respect of which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has previously received approval from each Rating Agency. In accordance with the Portfolio Profile Tests, no less than 0 per cent. of the Aggregate Collateral Balance and no more than 15 per cent. of the Aggregate Collateral Balance shall consist of Unhedged Fixed Rate Collateral Debt Obligations, or, in relation to a Fitch Test Matrix elected by the Collateral Manager where such Fitch Test Matrix and/or the interpolation between the applicable Fitch Test Matrices applies a maximum percentage of the Aggregate Collateral Balance that can comprise Unhedged Fixed Rate Collateral Debt Obligations, such maximum percentage, if lower, calculated in accordance with the provisions set out in the section of this Offering Circular entitled "*The Portfolio – Portfolio Profile Tests and Collateral Quality Tests – Fitch Test Matrices*".
Collateral Manager	Pursuant to the Collateral Management 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 Agreement, in relation to the Portfolio as agent of the Issuer and to carry out the duties and functions described therein. Pursuant to the Collateral Management Agreement, the Issuer will delegate authority to the Collateral Manager to carry out certain functions in relation to the Portfolio and hedging arrangements without the requirement for specific approval by the Issuer, the Collateral Administrator or the Trustee. See "*Description of the Collateral Management Agreement*" and "*The Portfolio*".
Collateral Management Fees	
Senior Collateral Management Fee	0.12 per cent. *per annum* of the Aggregate Collateral Balance (exclusive of VAT). See "*Description of the Collateral Management Agreement – Fees*".

Subordinated Collateral Management Fee	0.20 per cent. *per annum* of the Aggregate Collateral Balance (exclusive of VAT). See "*Description of the Collateral Management Agreement – Fees*".
Incentive Collateral Management Fee	After having met or surpassed the Incentive Collateral Management Fee IRR Threshold of 12 per cent., 20 per cent. of any Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligation Proceeds that would otherwise have been available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payments (exclusive of VAT). See "*Description of the Collateral Management Agreement – Fees*".
Collateral Manager Advances	To the extent that there are insufficient sums standing to the credit of the Collateral Enhancement Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised, the Collateral Manager may, at its discretion, pay amounts required in order to fund such purchase or exercise (such amount, a "**Collateral Manager Advance**") to such account pursuant to the terms of the Collateral Management Agreement. Each Collateral Manager Advance may bear interest provided that such rate of interest shall not exceed a rate of EURIBOR plus 2.00 per cent. *per annum*. All such Collateral Manager Advances shall be repaid out of Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligation Proceeds on each Payment Date subject to and in accordance with the Priorities of Payments. The aggregate principal amount outstanding of all Collateral Manager Advances shall not, at any time, exceed €10,000,000, or such greater number as the Subordinated Noteholders may approve, acting by way of an Ordinary Resolution. The Collateral Manager shall be limited to making not more than 4 Collateral Manager Advances and each such Collateral Manager Advance shall be in an amount not less than €250,000.
Purchase of Collateral Debt Obligations	
Initial Portfolio	The Issuer has purchased a portfolio of Collateral Debt Obligations prior to the Issue Date pursuant to the Warehouse Arrangements.
Initial Investment Period	Prior to the Issue Date, the Issuer expects to have acquired or entered into a binding commitment to acquire Collateral Debt Obligations with an Aggregate Principal Balance equal to approximately 95 per cent. of the Target Par Amount. 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 by prior written notice to the Trustee, the Issuer, the Collateral Administrator and the Rating Agencies, subject to the Effective Date Determination Requirements having been satisfied; and (b) 15 March 2021 (or, if such day is not a Business Day, the next following Business Day), (such earlier date, the "**Effective Date**" and, such period, the "**Initial Investment Period**"), the Issuer, or the Collateral Manager on its behalf, intends to purchase the remainder of the Portfolio of Collateral Debt Obligations, subject to the Eligibility Criteria and certain other restrictions.
Reinvestment in Collateral Debt Obligations	Subject to and in accordance with the Collateral Management Agreement, the Collateral Manager will, on behalf of the Issuer, use

reasonable endeavours to use Principal Proceeds available from time to time to purchase Substitute Collateral Debt Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the Reinvestment Period.

Following the expiry of the Reinvestment Period, only Sale Proceeds from the sale of Credit Impaired Obligations, Credit Improved Obligations and Unscheduled Principal Proceeds received after the end of the Reinvestment Period may be reinvested by the Issuer or the Collateral Manager, on behalf of the Issuer, in Substitute Collateral Debt Obligations meeting the Eligibility Criteria and Reinvestment Criteria. See "*The Portfolio – Sale of Collateral Debt Obligations*" and "*The Portfolio – Reinvestment of Collateral Debt Obligations*".

Eligibility Criteria ..... In order to qualify as a Collateral Debt Obligation, each obligation will 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 Debt Obligation which must also satisfy the Eligibility Criteria on the Issue Date and Restructured Obligations which must satisfy the Restructured Obligation Criteria as at the applicable Restructuring Date. See "*The Portfolio – Eligibility Criteria*".

Collateral Quality Tests ..... The Collateral Quality Tests will comprise the following:

For so long as any of the Notes rated by S&P are Outstanding (as of the Effective Date and until the expiry of the Reinvestment Period only) the S&P CDO Monitor Test.

For so long as any of the Notes rated by Fitch are Outstanding, as of the Effective Date:

(a) the Fitch Maximum Weighted Average Rating Factor Test;

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

(c) the Fitch Minimum Weighted Average Fixed Coupon Test; and

(d) the Fitch Minimum Weighted Average Spread Test;

(e) the Maximum Obligor Concentration Test .

For so long as any of the Rated Notes are Outstanding, 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 Debt Obligations specified in the Portfolio Profile Tests and summarily displayed in the table below shall be determined by reference to the Aggregate Collateral Balance):

		Minimum	**Maximum**
(a)	Secured Senior Loans and Secured Senior Bonds in aggregate (which shall include the Balance of the Principal Account and Unused Proceeds Account and any Eligible Investments which represent	92.5%	N/A

	Principal Proceeds, excluding any First Lien Last Out Loans)		
(b)	Secured Senior Loans in aggregate (which shall include the Balance of the Principal Account and Unused Proceeds Account and any Eligible Investments which represent Principal Proceeds, excluding any First Lien Last Out Loans)	70%	N/A
(c)	Collateral Debt Obligations other than Secured Senior Loans and Secured Senior Bonds in aggregate	N/A	7.5%
(d)	Secured Senior Bonds and High Yield Bonds in aggregate	N/A	30%
(e)	Second Lien Loans and Mezzanine Obligations in aggregate	N/A	5%
(f)	Secured Senior Loans or Secured Senior Bonds to a single Obligor	N/A	2.5%, *provided* that up to three Obligors may represent up to 3% each
(g)	Collateral Debt Obligations other than Secured Senior Loans and Secured Senior Bonds to a single Obligor	N/A	1.5%
(h)	Participations	N/A	5%
(i)	Current Pay Obligations	N/A	2.5%
(j)	Revolving Obligations/Delayed Drawdown Collateral Debt Obligations	N/A	10%
(k)	Fitch CCC Obligations	N/A	7.5%
(l)	S&P CCC Obligations	N/A	7.5%
(m)	Bridge Loans	N/A	2.5%
(n)	Corporate Rescue Loans	N/A	5%, *provided* that not more than 2% shall consist of Corporate Rescue Loans of a single Obligor
(o)	PIK Obligations	N/A	5%
(p)	Unhedged Collateral Debt Obligations	N/A	2.5%
(q)	Unhedged Fixed Rate Collateral Debt Obligations	0	15%, or, in relation to a Fitch Test Matrix elected by the Collateral Manager where such Fitch Test Matrix and/or the interpolation between the applicable Fitch Test Matrices applies a maximum percentage of the Aggregate Collateral Balance that can comprise Unhedged Fixed Rate Collateral Debt Obligations, such maximum percentage,

			if lower calculated in accordance with the provisions set out in the section of this Offering Circular entitled "*The Portfolio – Portfolio Profile Tests and Collateral Quality Tests – Fitch Test Matrices*"
(r)	S&P Industry Classification Group	N/A	12%, *provided* that the largest S&P Industry Classification Group may comprise up to 17.5% and (ii) the second largest S&P Industry Classification Group may comprise up to 15%
(s)	Maximum Fitch industry category in any single Fitch industry	N/A	20% *provided* that, in respect of the three Fitch industry categories containing the most Collateral Debt Obligations, not more than 40% may consist of Collateral Debt Obligations whose Obligors belong to one of those Fitch industry categories
(t)	Domicile of Obligors – Fitch	N/A	For so long as Fitch assigns a rating in respect of an Outstanding Class of Rated Notes, 10% domiciled in countries or jurisdictions with a country ceiling below "AAA" by Fitch unless a Rating Agency Confirmation from Fitch is obtained
(u)	Domicile of Obligors – S&P	N/A	For so long as S&P assigns a rating in respect of an Outstanding Class of Rated Notes, 20% domiciled in the same country or jurisdiction that is rated below "A-" by S&P unless a Rating Agency Confirmation from S&P is obtained
(v)	Bivariate Risk Table	N/A	See limits set out in "*The Portfolio-Bivariate Risk Table*"
(w)	Non-Euro Obligations	N/A	20%
(x)	Obligations of an Obligor which is a Portfolio Company, for which purpose, loans that are syndicated to an initial lender group of greater than five lenders, shall not be counted as loans to an Obligor which is a Portfolio Company	N/A	10%
(y)	Cov-Lite Loans	N/A	25%
(z)	Annual Obligations	N/A	5%
(aa)	Total Indebtedness	N/A	5% of the Aggregate Collateral Balance may consist of obligations issued by Obligors each of which has total current indebtedness (comprising of all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) under its respective loan agreements and other debt instruments (including the Underlying Instruments) of equal to or greater than EUR 150,000,000 but less than EUR 250,000,000 in aggregate principal amount

(bb)	Obligations originated by the Collateral Manager or an Affiliate of the Collateral Manager in respect of Obligors with initial EBITDA of less than (i) for Obligors domiciled in Europe, EUR 40,000,000 and (ii) for Obligors domiciled in the United States, USD 75,000,000 (provided that for the purposes of this calculation, obligations that are syndicated to an initial lender group of greater than three shall not be counted as originated by the Collateral Manager or an Affiliate of the Collateral Manager, except where Collateral Manager Related Persons hold 40 per cent. or more of such obligation)	N/A	2.5%

Obligations which are to constitute Collateral Debt 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 will be included as Collateral Debt Obligations in the calculation of the Portfolio Profile Tests at any time as if such purchase had been completed and Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to sell but which have not yet settled shall be excluded as Collateral Debt Obligations in the calculation of the Portfolio Profile Tests as if such sale had been completed.

Coverage Tests ..... Each of the Par Value Tests and Interest Coverage Tests shall apply on a Measurement Date in the case of (i) the Par Value Tests, on and after the Effective Date (other than with respect to the Class E Par Value Test which shall apply on a Measurement Date falling on or after the end of the Reinvestment Period only) and (ii) the Interest Coverage Tests, on or after the Determination Date immediately preceding the second Payment Date, 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.

Class	**Required Par Value Ratio**
A/B	135.99%
C	124.16%
D	116.05%
E	109.84%

Class	**Required Interest Coverage Ratio**
A/B	120.00%
C	110.00%
D	105.00%

Required diversion in respect of the Reinvestment *Overcollateralisation Test* ..... If on any Determination Date on and after the Effective Date and during the Reinvestment Period, the Class E Par Value Ratio is less than 110.34 per cent., after giving effect to the payment of all

	amounts payable in respect of paragraphs (A) through (S) of the Interest Proceeds Priority of Payments, Interest Proceeds shall be paid to the Principal Account, for the acquisition of additional Collateral Debt Obligations (*provided* that to do so would not cause a Retention Deficiency) (or, if the Collateral Manager determines that it is unable to identify such additional Collateral Debt Obligations that it considers appropriate for such reinvestment, in redemption by way of Special Redemption of the Notes in accordance with the Note Payment Sequence) 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 pursuant to paragraph (T) of the Interest Proceeds Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (S) (inclusive) of the Interest Proceeds Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied as of the relevant Determination Date after giving effect to any payments made pursuant to paragraphs (A) through (S) of the Interest Proceeds Priority of Payments.
Authorised Denominations.....	The Regulation S Notes of each Class (other than the Class M Notes) will be issued in minimum denominations of €100,000 each and integral multiples of €1,000 in excess thereof. The Regulation S Class M Notes will be issued in minimum denominations of €250,000 each and integral multiples of €1 in excess thereof. The Rule 144A Notes of each Class will be issued in minimum denominations of €250,000 each and integral multiples of (i) in respect of the Class M Notes only, €1 in excess thereof, and (ii) in respect of each other Class of Rule 144A Notes, €1,000 in excess thereof.
Form, Registration and Transfer of the Notes	The Regulation S Notes of each Class (other than, in certain circumstances as described below, the Class E Notes, the Class M Notes and the Subordinated Notes) sold outside the United States to non-U.S. Persons (as defined in Regulation S) 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 as described below, the Class E Notes, the Class M Notes and the Subordinated Notes) sold in reliance on Rule 144A within the United States to persons and outside the United States to U.S. Persons (as defined in Regulation S), 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 on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through,

and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg.

The Regulation S Global Certificates and the Rule 144A Global Certificates will bear a legend and such Regulation S Global Certificates and 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 both 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 (as defined in Regulation S) 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*".

Each initial investor and each transferee of a Class E Note, a Class M Note or a Subordinated Note either (a) shall be deemed to represent (among other things) that it is not, and is not acting on behalf of (and for so long as it holds such Class E Note, Class M Note or Subordinated Note (or interest therein) it will not be, and will not be acting on behalf of) a Controlling Person or a Benefit Plan Investor or (b) may not acquire such Class E Note, Class M Note or Subordinated Note in the form of a Rule 144A Global Certificate or Regulation S Global Certificate unless such initial investor or transferee: (i) (other than in the case of the Retention Notes) obtains the written consent of the Issuer; and (ii) provides an ERISA certificate to the Issuer and Transfer Agent as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex A – Part 1 (*Form of ERISA Certificate*)). Any transferor of a Class E Note, Class M Note or Subordinated Note that is a Benefit Plan Investor agrees that, upon any such transfer it shall provide a certificate substantially in the form of Annex A – Part 2 (*Form of ERISA Transfer Certificate*) to the Issuer and the Transfer Agent notifying whether or not the transferee thereof is a Benefit Plan Investor. No proposed transfer of Class E Notes, Class M Notes or Subordinated Notes (or interests therein) will be permitted or recognised if a transfer to a transferee will cause 25 per cent. or more of the total value of the Class E Notes, Class M Notes or Subordinated Notes (determined separately by Class) to be held by Benefit Plan Investors, disregarding Class E Notes, Class M Notes or Subordinated Notes (or interests therein) held by Controlling Persons.

The Issuer shall treat such Class E Note, a Class M Note or a Subordinated Note (or interest therein) as being held by a Benefit Plan Investor until such time, if any, as such Benefit Plan Investor

	transfers such Class E Note, a Class M Note or a Subordinated Note (or interest therein) (as applicable) and certifies to the Issuer, Collateral Manager and the Transfer Agent that the transferee thereof is not a Benefit Plan Investor. 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*).
CM Voting Notes, CM Exchangeable Non-Voting Notes, CM Non-Voting Notes	The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes may be in the form of CM Voting Notes, CM Non-Voting Notes or CM Exchangeable Non-Voting Notes. CM Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of any CM Replacement Resolutions and any CM Removal Resolutions. The Class X Notes, CM Non-Voting Notes and CM Exchangeable Non-Voting Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on any CM Removal Resolution or any CM Replacement Resolution but shall carry a right to vote on and be counted in respect of all other matters in respect of which the CM Voting Notes have a right to vote and be counted. CM Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into CM Exchangeable Non-Voting Notes or CM Non-Voting Notes. CM Exchangeable Non-Voting Notes shall be exchangeable upon request by the relevant Noteholder into: (a) CM Non-Voting Notes at any time; or (b) CM Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor and in no other circumstance. CM Non-Voting Notes shall not be exchangeable at any time into CM Voting Notes or CM Exchangeable Non-Voting Notes.
Governing Law	The Notes, the Trust Deed, the Collateral Management Agreement, the Agency Agreement and all other Transaction Documents (save for the Corporate Services Agreement, which is governed by the laws of Ireland) will be governed by English law.
Listing	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its Global Exchange Market. It is anticipated that listing and admission to trading of the Notes will take place on or about the Issue Date. There can be no assurance that any such approval will be granted or, if granted, that such listing and admission to trading will be maintained.
Tax Status	See "*Tax Considerations*".
Certain ERISA Considerations	See "*Certain ERISA Considerations*".
Withholding Tax	No gross up of any payments to the Noteholders will be required of the Issuer. See Condition 9 (*Taxation*).

Forced sale and withholding pursuant to FATCA and ERISA	Under FATCA, the Issuer may require each Noteholder (which may include a nominee or beneficial owner of a Note for these purposes) to provide certifications and identifying information about itself and certain of its owners. The Issuer may force the sale of a Noteholder's Notes (other than Retention Notes) in order to comply with FATCA, including Notes held by a Noteholder that fails to provide the required information (and such sale could be for less than its then fair market value). In addition, the failure to provide such information, or the failure of certain Noteholders to comply with FATCA or such other law, may compel the Issuer to withhold on payments to such holders (and the Issuer will not pay any additional amounts with respect to such withholding). 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 Title I of ERISA and Section 4975 of the Code, that Holder 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 (and such sale could be for less than its then fair market value), 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 Noteholder will receive the balance, if any.
Retention Holder Veto.....	No Resolution to approve or exercise by the Issuer of its rights under Condition 14(c) (*Modification and Waiver*) to effect any modification of the Eligibility Criteria, the Portfolio Profile Tests, the Collateral Quality Tests, the Reinvestment Criteria or any material changes to them, in each case that could affect the Retention Holder's ability to comply with the EU Retention Requirements (save for those that are made to ensure compliance with the EU Retention Requirements) will be effective without the consent in writing of the Retention Holder. See Condition 14(b)(x) (*Retention Holder Veto*).
EU Retention and Transparency Requirements.....	The Retention Holder will represent and undertake to hold the Retention Notes on the terms set out in the Risk Retention Letter. In addition, in relation to the reporting obligations in the EU Transparency Requirements, (a) the Issuer will undertake to be designated as the entity responsible to fulfil such reporting obligations and to adhere to its obligations in respect thereof and (b) the Collateral Manager will undertake to reasonably assist the Issuer in complying with its obligations under the EU Transparency Requirements, including by providing to the Collateral Administrator (or any applicable third party reporting entity) any reports, data and other information required for compliance by the Issuer with the EU Transparency Requirements (save to the extent such reports, data and/or other information has already been

provided to, or is already available to, the Collateral Administrator (or such applicable third party reporting entity)), *provided* that the Collateral Manager shall not be responsible or liable for failing to provide any reports, data and other information that the Collateral Manager is unable to procure or source using reasonable efforts. Prior to the adoption of final disclosure templates in respect of the EU Transparency Requirements, the Issuer intends to fulfil those requirements contained in subparagraphs (a) and (e) of Article 7(l) of the Securitisation Regulation through the Payment Date Reports and the Monthly Reports (see "*Description of the Reports*") and as soon as reasonably practicable following the adoption of the final reporting templates pursuant to the EU Transparency Requirements, the Issuer and the Collateral Manager will propose in writing to the Collateral Administrator the form, content, timing and method of distribution of the additional reporting templates and information relating thereto. The Collateral Administrator shall consult with the Issuer and the Collateral Manager and, if it agrees to assist the Issuer with such reporting on such proposed terms, shall confirm in writing to the Issuer and the Collateral Manager. If the Collateral Administrator agrees to assist the Issuer with such reporting, the Collateral Administrator shall make such information, including each Loan Report and each Investor Report, available via a secured website (available at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser and each Hedge Counterparty and as notified by the Issuer (with reasonable assistance, if the Issuer so requires, from the Collateral Manager) to each Rating Agency and the Noteholders from time to time)) (or by such other method of dissemination as is required or permitted by the Securitisation Regulation (as instructed by the Issuer (or the Collateral Manager on its behalf) and as agreed with the Collateral Administrator)) to any person who certifies to the Collateral Administrator (which certification may be given electronically and upon which certification the Collateral Administrator may rely absolutely) that it is (i) the Issuer, (ii) the Trustee, (iii) the Collateral Manager, (iv) the Initial Purchaser, (v) a Hedge Counterparty, (vi) a Rating Agency, (vii) a Noteholder, (viii) a Competent Authority or (ix) a potential investor in the Notes. If the Collateral Administrator does not agree to assist the Issuer with such reporting, the Issuer and the Collateral Manager shall appoint another entity to make such information available, *provided* that, if the Collateral Administrator does not agree to provide such reporting, it will use reasonable endeavours to assist (at the request and cost of the Issuer) the Issuer in transferring all relevant information held by it to such other service provider.

For the avoidance of doubt, if the Collateral Administrator agrees to assist the Issuer with such information and reporting on behalf of the Issuer, the Collateral Administrator will not assume any responsibility for the Issuer's obligations as the entity responsible for fulfilling the reporting obligations under the EU Transparency Requirements. In making available such information and reporting, the Collateral Administrator also assumes no responsibility or liability to any third party, including the Noteholders and any potential Noteholders (including for their use or onward disclosure of any such information or documentation), and shall have the benefit of the powers, protections and indemnities granted to it under the Transaction Documents.

See further *"Risk Factors – Other Regulatory Considerations – Risk Retention and Due Diligence – EU Risk Retention and Due Diligence", "Risk Factors – Certain Conflicts of Interest – Collateral Manager - Restrictions on the Discretion of the Collateral*

	Manager in Order to Comply with Risk Retention" and "The Retention Holder" and *"The Retention Holder and the EU Retention and Transparency Requirements – The Retention Holder and the EU Retention and Transparency Requirements".*
Additional Issuances.....	Subject to certain conditions being met, additional Notes of all existing Classes (other than the Class X Notes and the Class M Notes) may be issued and sold. See Condition 17 (*Additional Issuances*).
Retention Holder and Retention Requirements.....	The Retention Holder will represent and undertake to hold the Retention on the terms set out in the Risk Retention Letter. See further *"Risk Factors – Other Regulatory Considerations - Risk Retention and Due Diligence – EU Risk Retention and Due Diligence", "Risk Factors – Certain Conflicts of Interest – Collateral Manager - Restrictions on the Discretion of the Collateral Manager in Order to Comply with Risk Retention" and "The Retention Holder"* and *"The Retention Holder and the EU Retention and Transparency Requirements".*
U.S. Risk Retention.....	The Collateral Manager has informed the Issuer that the Collateral Manager has determined that the U.S. Risk Retention Rules do not apply to the Collateral Manager for purposes of this transaction on the Issue Date and accordingly, the Collateral Manager will not (nor will any majority-owned affiliate of the Collateral Manager) acquire any risk retention interest contemplated by the U.S. Risk Retention Rules. See further *"Risk Factors – Other Regulatory Considerations - Risk Retention and Due Diligence –U.S. Risk Retention Rules."*

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. There can be no assurance that the Issuer will not incur losses or that investors will receive a return on their investments. 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 loans, bonds 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 should consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes. Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Notes, although the degree of risk associated with each Class of Notes will vary in accordance with the position of such Class of Notes in the Priorities of Payments. See Condition 3(c) (*Priorities of Payments*). In particular, (i) payments in respect of the Class M Notes representing Senior Class M Interest Amounts are generally higher in the Priorities of Payments than those of the Rated Notes, the Class M Notes in respect of Subordinated Class M Interest Amounts and the Subordinated Notes, (ii) payments in respect of Class X Notes and the Class A Notes are generally higher in the Priorities of Payments than those of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class M Notes in respect of Subordinated Class M Interest Amounts and the Subordinated Notes; (iii) payments in respect of the Class B Notes are generally higher in the Priorities of Payments than those of the Class C Notes, the Class D Notes, the Class E Notes, the Class M Notes in respect of Subordinated Class M Interest Amounts and the Subordinated Notes; (iv) payments in respect of the Class C Notes are generally higher in the Priorities of Payments than those of the Class D Notes, the Class E Notes, the Class M Notes in respect of Subordinated Class M Interest Amounts and the Subordinated Notes; (v) payments in respect of the Class D Notes are generally higher in the Priorities of Payments than those of the Class E Notes, the Class M Notes in respect of Subordinated Class M Interest Amounts and the Subordinated Notes; (vi) payments in respect of the Class E Notes are generally higher in the Priorities of Payments than those of the Class M Notes in respect of Subordinated Class M Interest Amounts and the Subordinated Notes; and (vii) payments in respect of the Class M Notes representing Subordinated Class M Interest Amounts are generally higher in the Priorities of Payment than those of the Subordinated Notes. None of the Sole Arranger, the Initial Purchaser, the Collateral Manager or the Trustee undertakes to review the financial condition or affairs of the Issuer or the Collateral Manager during the life of the arrangements contemplated by this Offering Circular or to advise any investor or potential investor in the Notes of any information coming to the attention of the Sole Arranger, the Initial Purchaser, the Collateral Manager or the Trustee 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, regulatory, accounting and financial evaluation of the merits and risks of investment in such Notes and that they consider the suitability of such Notes as an investment in light of their own circumstances and financial condition and that of any accounts for which they are acting.

1.3 Limited Resources of Funds to Pay Expenses of the Issuer

The funds available to the Issuer to pay its expenses on any Payment Date are limited as provided in the Priorities of 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, accounting 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 transactions of a type similar to this transaction and derivative transactions and vehicles that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Issuer could be substantial and adverse.

1.5 Events in the CLO and Leveraged Finance Markets

Over the past several years, European financial markets have experienced volatility and have been adversely affected by concerns over economic contraction in certain EU member states ("**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 "*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.

Significant risks for the Issuer and investors exist as a result of current economic conditions. These risks include, among others, (i) the likelihood that the Issuer will find it more difficult to sell any of its assets or to purchase new assets in the secondary market, (ii) the possibility that, on or after the Issue Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price and (iii) the illiquidity of the Notes. These additional risks may affect the returns on the Notes to investors and/or the ability of investors to realise their investment in the Notes prior to their Maturity Date. 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 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, insolvency or financial distress 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, or one or more sovereigns, may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer, the Collateral and the Notes.

The result of the above is 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 from an economic downturn at the same time or to the same degree as such other recovering sectors.

There has been an outbreak of a novel coronavirus (SARS-CoV-2) and related respiratory disease (coronavirus disease (COVID-19)) ("**COVID 19**"), that was first detected in December 2019 and which has now been found in over 200 countries globally. This outbreak and measures being put in place to restrict its spread have disrupted (and may continue to disrupt) economies and slowed (and may continue to slow) economic growth both in countries where the outbreak has been detected and in others. This may result, and in some cases (including in respect of the United Kingdom) has resulted, in the downgrade of certain sovereign credit ratings by certain rating agencies. This has (and may continue to) materially and adversely impact the global supply chain, market and economies. This state of affairs is causing (and may continue to cause) significant uncertainty in both domestic and global financial markets, has led to (and may continue to cause) volatility and disruption in the capital markets and could have a material adverse effect on certain Obligors of Collateral Debt Obligations. These additional risks and market disruptions may materially and adversely affect the ability of Obligors to make payments under Collateral Debt Obligations, the liquidity and value of the Notes, the ratings applicable to Collateral Debt Obligations (see "*Ratings on Collateral Debt Obligations*"), the Issuer's ability to make payments on the Notes and the Issuer's ability to acquire and sell Collateral Debt Obligations. In particular, rating actions may result in (i) in respect of the potential downgrade of ratings applicable to Collateral Debt Obligations, any such obligation becoming a Credit Impaired Obligation, a Fitch CCC Obligation, S&P CCC Obligation or a Defaulted Obligation (and therefore potentially subject to haircuts in the determination of the Par Value Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test and restrictions in the Portfolio Profile Tests (see "*Ratings on Collateral Debt Obligations*")) and (ii) in respect of the ratings of the Notes being downgraded between the date of this Offering Circular and the Issue Date, the Initial Ratings of any Class of Rated Notes published by the Rating Agencies being lower than is described in this Offering Circular. Furthermore, any such rating actions taken between the Issue Date and the Effective Date could result in (a) a downgrade of one or more Classes of Rated Notes from their Initial Ratings and (b) certain Collateral Quality Tests and Portfolio Profile Tests not being satisfied as at the Effective Date, resulting in an Effective Date Rating Event and following which 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*) (see also "*Considerations Relating to the Initial Investment Period*"). If any rating assigned to the Notes is subject to a downgrade, the market value of the Notes may reduce and holders of the Notes may not be able to resell their Notes without a substantial discount (see "*Future Ratings of the Rated Notes Not Assured and Limited in Scope*").

1.6 Euro and Euro zone Risk

The on-going deterioration of the sovereign debt of several countries, in particular 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, 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, which was activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries from 1 July 2013 onward.

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 Collateral (including the risks of currency losses arising out of redenomination and related haircuts on any affected assets), the Issuer and the Notes. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations (including the Notes) 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 The UK's withdrawal from the European Union

On 31 January 2020, the UK withdrew from the EU (as more particularly described below). At this time, the full consequences of such withdrawal are not clear.

In particular, there is uncertainty as to the final trade arrangements to be put in place following the expiry of the Transition Period (as defined below). Investors should be aware that the Issuer's risk profile may be materially affected by this uncertainty which might also have an adverse impact on the Portfolio and the Issuer's business, financial condition, results of operations and prospects and could therefore also be materially detrimental to Noteholders. Any such potential adverse economic conditions may also affect the ability of the obligors to make payment under the Collateral Debt Obligations which in turn may adversely affect the ability of the Issuer to pay interest and repay principal to the Noteholders.

Applicability of EU law in the UK

The negotiated withdrawal agreement between the EU and the UK provides for a transition period, commencing on 31 January 2020 and ending at 11.00 p.m. GMT on 31 December 2020, unless extended by a single decision for up to one or two years (such period, the "**Transition Period**"). The UK government has stated that it will not seek such an extension. The negotiated withdrawal agreement states that, unless otherwise provided in the agreement, EU law will be applicable to and in the UK during the Transition Period. Accordingly, during the Transition Period any references in this Offering Circular to the "EU" and its "Member States" in the context of EU legislation and the application thereof shall be interpreted so as to include the UK (except where expressly indicated otherwise).

During the Transition Period negotiations will continue between the UK and the EU in respect of the nature of their future relationship. It is at present unclear what type of future trading relationship between the UK and the EU will be established. 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 or when negotiations of such relationship will be finalised.

Following the end of the Transition Period, 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 final trade arrangements to be put in place, substantial amendments to English law may occur and may diverge from the corresponding provisions of EU law applicable after the Transition Period. Consequently, English law may change and differ from

EU law and it is impossible at this time to predict the consequences on the Portfolio, the Issuer's business, financial condition, results of operations or prospects or any potential investors. Such changes could be materially detrimental to Noteholders.

Regulatory Risk

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 the expiry of the Transition Period, the existing passporting regime will apply (if at all). Depending on the terms of any future trading relationship between the EEA and the UK, it is likely that, UK regulated entities may, following the expiry of the Transition Period, 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 future trade relationship with 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.

UK manager

If, at the end of the Transition Period, the UK were no longer within the scope of the MiFID II and in a position where no alternative passporting regime or third country recognition of the UK is in place, then a UK manager such as the Collateral Manager may be unable to rely upon passporting or similar rights in order continue to provide collateral management services to the Issuer.

MiFID II, which has applied since 3 January 2018, provides (among other things) for the ability for non-EU investment firms to provide collateral management services in the EU on a cross-border basis provided that certain conditions are fulfilled. In order to qualify to provide collateral management services in the EU on a cross-border basis, non-EU investment firms will be required (i) to be authorised in a third country to provide collateral management services which are regulated under MiFID II (A) in respect of which the European Commission has adopted an equivalency decision and (B) where the European Securities and Markets Authority ("**ESMA**") has established cooperation arrangements with the relevant competent authorities, and (ii) to be registered with ESMA to do so. It is not possible to guarantee or predict the timing of any European Commission equivalency decision, cooperation arrangements or registration by ESMA in relation to the UK.

The European Union (Markets in Financial Instruments) Regulations 2017 S.I. No. 375 of 2017 (the "**2017 MiFID Regulations**") implemented MiFID II into Irish law, effective 3 January 2018. The 2017 MiFID Regulations contain a "safe-harbour" for non-EU investment firms.

Until non-EU investment firms qualify under the MiFID II measures to provide collateral management services in the EU on a cross-border basis, the "safe harbour" provision for non-EU investment firms providing services into Ireland to Irish persons contained in the 2017 MiFID Regulations will apply, *provided* that:

(i) the non-EU investment firm's headquarters are in a non-EU country;

(ii) the non-EU investment firm is subject to authorisation and supervision in its country of origin and that country observes Financial Action Task Force anti-money laundering recommendations;

(iii) there are co-operation agreements in place between the Central Bank of Ireland and the relevant non-EU country; and

(iv) the non-EU investment firm's services are provided only to professional clients or eligible counterparties (*i.e.* as defined in MiFID II) and are not provided to retail clients.

On 14 July 2017, the Irish Department of Finance issued a feedback statement in advance of the publication of the 2017 MiFID Regulations. This statement provides guidance on the application of the conditions to the third country safe harbour and stated that the safe harbour was not to apply in respect of non-EU firms whose home country is either on the FATF list of non-cooperative jurisdictions or who is not a signatory to the IOSCO Multilateral Memorandum of Understanding concerning consultation and cooperation and the exchange of information.

The UK does not fall within either of those categories, and therefore the Collateral Manager should be able to continue to provide collateral management services to the Issuer, assuming the UK will be a third country following its departure from the EU.

Market Risk

Following the result of the referendum on the UK's withdrawal from the EU and its subsequent withdrawal, 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 Notes and on the ability of Obligors to meet their obligations under the Collateral Debt Obligations.

Investors should be aware that as a result of the UK's withdrawal from the EU, any negotiation between the UK and the EU with respect to their future trading relationship and following the expiry of the Transition Period, 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 Notes. Investors should note that following the UK's withdrawal from the EU and at the end of the Transition Period and depending on the terms of any future trading relationship between the UK and 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, as noted above, 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 withdrawal of the UK from the EU, therefore increasing the risk that such counterparties may become unable to fulfil their obligations. Such inability could adversely impact the Issuer and could be materially detrimental to Noteholders. For further information on counterparties, see "*Counterparty Risk*" below.

Ratings actions

Since the results of the referendum on the withdrawal of the UK from the EU, each of S&P, Fitch and Moody's has downgraded the UK's sovereign credit rating and Fitch and Moody's have also placed such rating on negative outlook, suggesting possible further negative rating action. Following the outbreak of COVID-19, Fitch have further downgraded the UK's sovereign credit rating and 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, such downgrades of the UK's sovereign credit rating and any further downgrade action may trigger downgrades in respect of parties to the Transaction Documents. If a counterparty no longer satisfies the relevant Rating Requirement, the Transaction Documents may require that such counterparty be replaced with an entity that satisfies the relevant Rating Requirement. If rating downgrades are widespread, it may become difficult or impossible to replace counterparties with entities that satisfy the relevant Rating Requirement.

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

2 REGULATORY INITIATIVES

2.1 Reliance on Rating Agency Ratings

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") requires that U.S. 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. Investments in asset-backed securities like the Notes by such institutions may result in greater capital charges to financial institutions that own such securities, or otherwise adversely affect the treatment of such securities for regulatory capital purposes. Changes in capital requirements have been announced by the Basel Committee on Banking Supervision and it is uncertain when all such changes will be fully implemented. When fully implemented, investments in asset-backed securities like the Notes by such institutions may result in greater capital charges to financial institutions that own such securities, or otherwise adversely affect the treatment of such securities for regulatory capital purposes. Furthermore, all prospective investors in the Notes whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Notes will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavourable accounting treatment, capital charges or reserve requirements.

2.2 Flip Clauses

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "**flip clauses**"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of termination payments in certain circumstances.

The English Supreme Court has held that a flip clause as described above is valid under English law. Contrary to this, however, certain U.S. Bankruptcy Court decisions have held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. The implications of this conflict remain unresolved. However, it should be noted that, on 26 June 2016, Judge Shelley Chapman in the U.S. Bankruptcy Court ruled in a series of proceedings commenced by the Lehman Brothers Chapter 11 debtors that a series of flip clauses were enforceable for several reasons, including the protection of those clauses by provisions in the U.S. Bankruptcy Code known as "safe harbors". Lehman has filed a notice of appeal with regard to the decision.

If a creditor of the Issuer (such as the Hedge Counterparties) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the U.S.), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents (such as a provision of the Priorities of Payments which refers to the ranking of each Hedge Counterparty's payment rights in respect of termination payments in certain circumstances). In particular, based on the decision of the U.S. Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a Hedge Counterparty (and/or with respect to any replacement counterparty, depending on certain matters in respect of that entity).

In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that

such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will 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 Notes. If any rating assigned to the Notes is lowered, the market value of the Notes may reduce.

2.3 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 UK (LIBOR has been a specified benchmark since April 2013);

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

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

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

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

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

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

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

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

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

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. The application date for the majority of its provisions was 1 January 2018. It is directly applicable law across the EU.

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. EURIBOR and LIBOR have been designated "critical benchmarks" for the purposes of the Benchmark Regulation by way of Commission Implementing Regulations published on 12 August 2016 and 28 December 2017, respectively.

Benchmarks such as EURIBOR and LIBOR 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. On 2 July 2019, the European Money Markets Institute, administrator for EURIBOR, was granted authorisation under the Benchmark Regulation by the Financial Services and Markets Authority of Belgium. Consequently EURIBOR is at this point considered compliant with the Benchmark Regulation. It should be noted however that this does not mean that EURIBOR will remain a representative measure if markets evolve so that, for example, there are very few trades in the borrowing market on which panel banks can base their submissions. The Working Group on Euro Risk-Free Rates has cautioned in a factsheet on EURIBOR fallbacks published in March 2020 that benchmarks are subject to the risk of disruption or future discontinuation.

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 Debt 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 Debt 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 Debt 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 Debt 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(e)(i)(1) (*Floating Rate of Interest*) is discontinued, interest on the Rated Notes will be calculated under Condition 6(e)(i)(2) (*Floating Rate of Interest*);

(e) if EURIBOR or any other relevant interest rate benchmark is discontinued, there can be no assurance that the applicable fall-back provisions under any swap agreements would operate to allow the transactions under such swap agreements to effectively mitigate interest rate risk in respect of the Floating Rate Notes;

(f) if any of the LIBOR, EURIBOR or other related benchmark is materially disrupted, calculated in a different way or discontinued (or the Collateral Manager reasonably expects any of these events will occur), the Issuer may (subject always to the provisions of Condition 14(c) (*Modification and Waiver*)) amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management Agreement and/or any other Transaction Document and may enter into supplemental trust deeds, or any other modification, authorisation or waiver to change the relevant reference rate of the Floating Rate Notes to an alternative base rate, replace references to the relevant benchmarks with respect to Floating Rate Collateral Debt Obligations, amend provisions which reference an index that has an equivalent frequency and setting date to the index applicable to a Floating Rate Collateral Debt Obligation to the extent that no such equivalent is available and make any other amendments as are necessary or advisable in the reasonable judgement of the Collateral Manager to facilitate the foregoing changes, in each case, subject to the consent of the Controlling Class and the Subordinated Noteholders (in each case by Ordinary Resolution), as set out and further described in Condition 14(c)(xlii) (*Modification and Waiver*) below; and

(g) the administrator of a relevant benchmark will not have any involvement in the Collateral Debt Obligations or the Notes and may take any actions in respect of such benchmark without regard to the effect of such actions on the Collateral Debt Obligations or the Rated 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 Debt Obligations which pay interest linked to a EURIBOR rate or other benchmark (as applicable), and (ii) Rated Notes. Changes in the manner of administration of LIBOR or EURIBOR could result in adjustment to the Conditions, early redemption, delisting or other consequences in relation to the Floating Rate Notes. No assurance may be provided that relevant changes will occur with respect to LIBOR or EURIBOR and/or that such benchmarks will continue to exist.

Investors should consider these recent developments when making their investment decision with respect to the Notes.

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

Many jurisdictions have adopted wide-ranging anti-money laundering, anti-terrorism, 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 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, the Trustee and each Agent will comply with AML Requirements to which they are or may become subject and to interpret such AML Requirements broadly in favour of disclosure. Failure to honour any request by the Issuer, the Initial Purchaser, the Collateral Manager, the Agents or the Trustee to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Initial Purchaser, the Collateral Manager, the Agents or the Trustee to comply with any AML Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Notes. In addition, it is expected that each of the Issuer, the Initial Purchaser, the Collateral Manager, the Trustee and each Agent 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. Noteholders may also be obliged to provide information in respect of AML Requirements.

2.5 CRA Regulation

Aspects of Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**") came into force on 20 June 2013 including Article 8(b). In summary, Article 8(b) of the CRA Regulation requires issuers, sponsors and originators of structured finance instruments such as the Notes to make detailed disclosures of information relating to such instruments. While it was intended that disclosures would start to be made under Article 8(b) from 1 January 2017 in respect of those structured finance instruments for which a reporting template has been specified (which does not include CLOs such as the Notes) and using a website to be set up by the European Securities and Markets Authority ("**ESMA**"), this website has not been set up. In this regard, ESMA issued a statement indicating that it has encountered several issues in preparing the set-up of the website and, given these issues, it does not expect to be in a position to receive disclosures. As a result, there is no mechanism by which relevant entities (including the Issuer) can currently comply with Article 8(b) in general and, as noted above, no reporting template has been specified for CLO transactions in any event. If such a template for CLO transactions were to be published and the website for disclosure were to be set up by ESMA in the future, then the Issuer may incur additional costs and expenses to comply with the disclosure obligations under Article 8(b) and such costs and expenses will be payable by the Issuer as Administrative Expenses. However, subject to certain transitional arrangements as provided for in the Securitisation Regulation, Article 8(b) of the CRA3 has been repealed, and related disclosure requirements will be governed thereafter by the Securitisation Regulation instead. Please see "*Risk Factors – Other Regulatory Considerations - Risk Retention and Due Diligence – EU Risk Retention and Due Diligence*" above.

2.6 Investment Company Act

The Issuer has not been and will not be registered with the United States Securities and Exchange Commission (the "**SEC**") as an investment company pursuant to the Investment Company Act, in reliance on an exemption under Section 3(c)(7) of the Investment Company Act for securities issuers (a) whose outstanding securities are beneficially owned only by "qualified purchasers" (within the meaning given to such term in the Investment Company Act and the regulations of the SEC thereunder) and certain transferees thereof identified in Rule 3c-5 and 3c-6 under the Investment Company Act and (b) which do not make a public offering of their securities in the United States.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the Investment Company Act had failed, to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and seek recovery of any damages caused by the violation; and (iii) any contract to which the Issuer is party could be declared unenforceable unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule 144A Note will be deemed to represent at the time of purchase that, among other things, the purchaser is a QIB/QP.

The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer at any time determines 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 the Transfer Agent makes the determination), send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest outside the United States to a non-U.S. Person or to a person that is not a Non-Permitted Holder within 30 days of the date of such notice. If such Non-Permitted Holder fails to effect the transfer required within such 30-day period, (a) upon direction from the Issuer or the Collateral Manager on its behalf, a Transfer Agent, on behalf of and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a sale to a person or entity that certifies to such Transfer Agent and the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB/QP, (and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

2.7 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 among 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 has chosen not to participate in the bank single supervisory mechanism, relevant institutions established in such Member State will not be subject to the SRM

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

2.8 Third Party Litigation; Limited Funds Available

The Issuer's investment activities may subject it 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 and paying any amounts pursuant to settlements or judgments would be borne by the Issuer in accordance with the Priorities of Payments. 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. 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 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.

3 RELATING TO TAXATION

3.1 Financial Transaction Tax – ("**FTT**")

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's Proposal**") for an **FTT** to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (together, other than Estonia, the "**Participating Member States**"), although Estonia has since stated that it will not participate). If the Commission's Proposal were to be adopted, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be "established", in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the financial transaction is issued in a Participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets). Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest and/or principal than expected in respect of the Notes. Neither the Issuer, the Principal Paying Agent nor any other person would, pursuant to the Conditions of the Notes, be required to pay additional amounts as a result of any such tax liabilities. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt. There is however uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

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

3.2 OECD Action Plan on Base Erosion and Profit Shifting

Fiscal and taxation policy and practice is constantly evolving and recently the pace of change has increased due to a number of developments. In particular a number of changes of law and practice are occurring as a result of the Organisation for Economic Co-operation and Development ("**OECD**") Base Erosion and Profit Shifting project ("**BEPS**").

One of the action points from this project ("**Action 6**") is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances.

As noted below in the risk factor entitled "*UK Corporation Tax and Diverted Profits Tax treatment of the Issuer*", whether the Issuer will be subject to United Kingdom corporation tax may depend on whether it can benefit from Articles 5 and 8 of the UK-Ireland double tax treaty. Further, the Issuer may rely on the interest and other articles of treaties entered into by Ireland to be able to receive payments from some Obligors free from withholding taxes that might otherwise apply.

The OECD recommendations on Action 6 are primarily being implemented into double tax treaties through a multilateral convention. The multilateral convention has been signed by over 85 jurisdictions (including the United Kingdom and Ireland). The date on which the multilateral instrument comes into force for a jurisdiction depends on when that jurisdiction deposited its instrument of ratification, acceptance or approval. The multilateral convention came into force in respect of the United Kingdom on 1 October 2018 and in respect of Ireland on 1 May 2019. The date from which provisions of the multilateral convention have effect in relation to a treaty depends on several factors including the type of tax which the relevant treaty article relates to.

Upon ratifying the multilateral convention the United Kingdom and Ireland each deposited a non-provisional list of reservations and notifications to be made pursuant to it. Based on the information contained in these documents and the multilateral convention, Action 6 is implemented into the double tax treaties Ireland has entered into with the United Kingdom and other jurisdictions by the inclusion of a principal purpose test ("**PPT**"). This change has effect for the United Kingdom-Ireland double tax treaty in relation to withholding taxes from 1 January 2020 and for other taxes since 1 November 2019.

The PPT denies a treaty benefit where it is reasonable to conclude, having regard to all relevant facts and circumstances for this purpose, 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 currently unclear how the PPT will be applied by either the tax authorities of those jurisdictions from which payments are made to the Issuer or will be applied by the United Kingdom in relation to Articles 5 and 8 of the UK-Ireland double tax treaty.

It is also possible that Ireland will negotiate other bespoke amendments to their double tax treaties on a bilateral basis in the future which may affect the ability of the Issuer to obtain the benefit of these treaties.

Provided that the Issuer carries on investment activities as opposed to a trade, the incorporation of a PPT in the United Kingdom-Ireland double tax treaty is not expected to affect the Issuer's exposure to United Kingdom corporation tax.

However, if the Issuer were to be trading, given the United Kingdom-Ireland double tax treaty has been amended to incorporate a PPT for Action 6 then there would be a risk that the Issuer could be treated as having a taxable permanent establishment in the United Kingdom (see the risk factor entitled "*UK Corporation Tax and Diverted Profits Tax Treatment of the Issuer*" below for further information in relation to the circumstances in which the Issuer could be treated as having a UK permanent establishment for UK tax purposes).

If as a consequence of the application of Action 6 United Kingdom tax were imposed on the net income or profits of the Issuer, the amount of United Kingdom tax due would likely be significant on the basis that some or all of the interest which it pays on the Notes may not be deductible for United Kingdom tax purposes. If the United Kingdom imposed tax on the net income or profits of the Issuer, this could in certain circumstances constitute a Note Tax Event.

In the event that as a result of the application of Action 6 the Issuer were to be denied the benefit of a treaty entered into by Ireland and as a consequence payments of interest were made by an Obligor to the

Issuer subject to a withholding or deduction for or on account of tax in respect of any payments of interest on the Collateral Debt Obligations, this may also constitute a Collateral Tax Event.

If a Note Tax Event were to occur the Notes may be redeemed in accordance with Condition 7(g) (*Redemption following Note Tax Event*) in whole but not in part at the direction of the Controlling Class or the holders of the Subordinated Notes, in each case acting by way of Extraordinary Resolution, subject to certain conditions. If a Collateral Tax Event were to occur the Rated Notes may be redeemed in accordance with Condition 7(b)(i)(B) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*) in whole but not in part at the direction of the holders of the Subordinated Notes, acting by way of Ordinary Resolution, subject to certain conditions

Investors should note that other action points which form part of the OECD BEPS project (such as Action 4, which can deny deductions for financing costs, see the risk factor entitled "EU Anti-Tax Avoidance Directive" below) may be implemented in a manner which affects the tax position of the Issuer.

3.3 Taxation Implications of Contributions

A Subordinated Noteholder may, in certain circumstances, provide the Issuer with cash by way of a Contribution in accordance with Condition 2(n) (*Contributions*). Subordinated Noteholders may become subject to taxation in relation to the making of a Contribution. Subordinated Noteholders are solely responsible for any and all taxes that may be applicable in such circumstances. Subordinated Noteholders should seek their own professional advice as to their treatment before making a Contribution in accordance with Condition 2(n) (*Contributions*).

3.4 Taxation on Collateral Debt Obligations; Changes in Tax Law

At the time when they are or were acquired by the Issuer (or, in the case of the Issue Date Collateral Debt Obligations, on the Issue Date), the Eligibility Criteria require that payments of interest on the Collateral Debt Obligations to the Issuer are not subject to withholding tax imposed by any jurisdiction (whether by reference to the source of payments or the situs of the Collateral Debt Obligations) unless either: (i) such withholding tax can, upon completion of the procedural formalities, be sheltered by application being made under the applicable double tax treaty or otherwise; or (ii) the Obligor (or Selling Institution in the case of a Participation) is required to make "gross-up" payments to or indemnify the Issuer to cover the full amount of any such withholding on an after-tax basis.

However, there can be no assurance that, as a result of any change in any applicable law, rule or regulation or interpretation thereof, an unexpected refusal to grant treaty clearance, or as a result of a Collateral Debt Obligation being restructured, the payments on the Collateral Debt Obligations might not in the future become subject to withholding tax or increased withholding rates or tax by direct assessment in respect of which the relevant Obligor will not be obliged to gross up to or indemnify 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 Ireland and the jurisdiction from which the relevant payment is made or (b) any domestic exemption under the current applicable law in the jurisdiction of the borrower.

In the event that the Issuer receives any interest payments on any Collateral Debt 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 Debt 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 and will not be subject to withholding or deduction on account of tax, or that the Issuer will not be subject to tax by way of direct assessment by reference to the source of payments or situs of its assets. This may also result in a Collateral Tax Event pursuant to which the Rated Notes may be subject to early redemption at the option of the Subordinated Noteholders in the manner described in Condition 7(b) (*Optional Redemption*). See 5.4 (*The Notes are subject to Optional Redemption in Whole or in Part by Class*) below.

3.5 Value Added Tax Treatment of the Collateral Management Fees

The Issuer has been advised that under current Irish domestic law, the Collateral Management Fees should be exempt from VAT. This is on the basis that they should be treated as consideration paid for

collective portfolio management services provided to a "qualifying company" as defined in section 110 of the Taxes Consolidation Act 1997.

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

Historically, a similar position has been taken by The Netherlands, though recent developments have changed this and in February 2020, the Dutch tax authorities issued letters to participants in the Dutch CLO market explaining that collateral management and administration services are subject to VAT in the Netherlands with effect from 1 April 2019. This change in approach stems in part from the decision of the Court of Justice of the European Union on 9 December 2015 in the case of *Staatssecretaris van Financiën v Fiscale Eenheid X NV cs* Case C-595/13. The *Fiscale Eenheid X* case concerned whether a Dutch fund investing in real estate could qualify as a "special investment fund". The Court decided that funds such as those under consideration that are not UCITS could only qualify as "special investment funds" if they are "*subject to specific State supervision" because only "investment funds that are subject to specific State supervision can be subject to the same conditions of competition and appeal to the same circle of investors*" as UCITS. However, on 22 April 2020, the Dutch tax authorities subsequently provided written guidance confirming that although collateral management and administration fees remain subject to VAT, this will not apply with retroactive effect.

Partly in response to the *Fiscale Eenheid X* case, the European Commission has asked the VAT Committee (an advisory body comprising representatives from tax authorities of all of the Member States and chaired by a representative from the European Commission, the "**VAT Committee**") to shed light on the types of entities that can also qualify as "*special investment funds*". A large majority of the VAT Committee concluded that an entity cannot qualify as a "special investment fund" if it cannot be seen to target the same circle of investors as UCITS either because of the characteristics of its investment portfolio or because of the conditions under which investors are permitted to participate in the fund.

The views expressed by the VAT Committee are merely advisory and do not necessarily have the agreement of the European Commission. Furthermore, its views are not legally binding and the courts may disagree with them. There is nevertheless a risk that the European Commission will accept the views of the VAT Committee and will conclude that entities such as the Issuer cannot qualify as a "special investment funds" because they are either not subject to the right sort of regulatory supervision in Ireland and/or because they do not target the same circle of investors as UCITS.

Member States have a degree of discretion on how to define "*special investment funds*", and therefore there are some discrepancies amongst Member States on the meaning of the term. The *Fiscale Eenheid X* case was about how broad that discretion is. The application of the VAT exemption for "special investment funds" could now be reviewed at a Member State level and/or by the European Commission to ensure that the definitions used are within the ambit of discretion permitted by the VAT Directive.

The Issuer is not aware of any proposal to amend Irish domestic law to remove the exemption from VAT on collateral management fees paid by entities such as the Issuer. However, the Irish government could change its VAT laws to make them consistent with the position taken by many other Member States such as the Netherlands, or the European Commission could require Ireland to do so. If so, the Issuer could be required to account for VAT in Ireland in respect of the Collateral Management Fees. The standard VAT rate in Ireland is currently 23%. It is possible that Ireland could be required to recover the benefit of the VAT exemption obtained before the date on which the law changes from the Issuer together with interest.

The imposition of VAT in Ireland on the Collateral Management Fees will not constitute a Note Tax Event or a Collateral Tax Event . Accordingly, Noteholders will not become entitled to redeem the Notes in accordance with Condition 7(g) (*Redemption following Note Tax Event)* or 7(b)(i)(B) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*) as a consequence thereof. Furthermore, it may not be possible to substitute the Issuer with another company that is incorporated in another jurisdiction within the European Economic Area that does not charge VAT on CLO collateral management fees.

3.6 EU Anti-Tax Avoidance Directive

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of the BEPS conclusions across the EU, the EU Council adopted Council Directive (EU) 2016/1164 (the "**Anti-Tax Avoidance Directive 1**") on 12 July 2016.

The EU Council adopted Council Directive (EU) 2017/952 (the "**Anti-Tax Avoidance Directive 2**") on 29 May 2017, amending the Anti-Tax Avoidance Directive 1, to provide for minimum standards for counteracting hybrid mismatches involving EU member states and third countries.

EU member states had until 31 December 2018 to implement the Anti-Tax Avoidance Directive 1 (subject to derogations for EU member states which have equivalent measures in their domestic law) and have until 31 December 2019 to implement the Anti-Tax Avoidance Directive 2 (except for measures relating to reverse hybrid mismatches, which must be implemented by 31 December 2021).

The Directives contain various measures that could, depending on their implementation in Ireland, potentially result in certain payments by the Issuer ceasing to be fully deductible. However, of itself this would not give rise to a Collateral Tax Event or a Note Tax Event and so Noteholders may not be entitled to redeem their Notes notwithstanding the additional tax that would be payable in Ireland by the Issuer. There are two measures of particular relevance.

Firstly, the Anti-Tax Avoidance Directive 1 provides for an "interest limitation rule" which restricts the deductible interest of an entity to 30 per cent. of its earnings before interest, tax, depreciation and amortisation. However, the interest limitation only applies to the net borrowing costs of an entity (being the amount by which its borrowing costs exceed its taxable interest revenues and other economically equivalent taxable revenues). Ireland previously notified the Commission that it intended to derogate from the interest limitation rules meaning the provisions of Anti-Tax Avoidance Directive 1 on interest deductibility may be deferred in the case of Ireland until potentially 1 January 2024. On 14 November 2018 the Irish Department of Finance issued consultation documents seeking views on the manner in which Ireland will implement the interest limitation rule. It also suggested that Ireland might introduce the rules earlier than 2024, perhaps as early as the Finance Act 2019. While no such measures were included in the Finance Act 2019 it is anticipated they may be included in the Finance Act 2020 to take effect from 1 January 2021.

Secondly, the Anti-Tax Avoidance Directive 1 (as amended by the Anti-Tax Avoidance Directive 2) provides for hybrid mismatch rules. These rules apply in Ireland with effect from 1 January 2020 and are designed to neutralise arrangements where amounts are deductible from the income of one entity but are not taxable for another, or the same amounts are deductible for two entities. These rules could potentially apply to the Issuer where, for example: (i) the interest that it pays under the Notes, and claims deductions for, is not brought into account as taxable income by the relevant Noteholder, either because of the characterisation of the Notes, or the payments made under them, or because of the nature of the Noteholder itself; and (ii) the mismatch arises between associated enterprises, between the Issuer and an associated enterprise or under a structured arrangement.

For the purposes of the hybrid rules, a structured arrangement is one involving a mismatch outcome where the mismatch outcome is priced into the terms of the arrangement or the arrangement was designed to give rise to a mismatch outcome. While it is unlikely that the Issuer would be entering into structured arrangements the Irish Revenue Commissioners have not published any guidance on how they will interpret these rules so further analysis may be needed in respect of particular note issuances.

3.7 Diverted Profits Tax

With effect from 1 April 2015, a new tax has been introduced in the United Kingdom called the "diverted profits tax", which is charged at a rate of 25 per cent. on any "taxable diverted profits". The tax may apply in circumstances including where arrangements are designed to ensure either: (i) that a non-UK resident company does not carry on a trade in the United Kingdom for corporation tax purposes through a permanent establishment; or (ii) that a tax reduction is secured through the involvement of entities or transactions lacking economic substance. The diverted profits tax is a relatively new tax and its scope and the basis upon which it will be applied by H.M. Revenue & Customs remains uncertain. Imposition of such tax by the United Kingdom tax authorities may also give rise to a "Note Tax Event" and an Optional Redemption subject to and in accordance with the Conditions.

3.8 UK taxation treatment of the Issuer

The Issuer will be subject to UK corporation tax if and only if it (i) is 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, as a non-UK incorporated company, the central management and control of the Issuer is not in the UK. The Issuer was incorporated in Ireland and the Directors intend to conduct the affairs of the Issuer in such a manner so that it does not become resident in the UK for taxation purposes. The Issuer would be liable to pay (in accordance with the Priorities of Payment (as applicable)) United Kingdom tax on its United Kingdom taxable profits if it were treated as being tax resident in the United Kingdom.

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 a dependent 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 is an agent which will, however, have and is expected to habitually exercise authority to do business on behalf of the Issuer in the UK.

The Issuer should not be subject to UK 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 tax in respect of the agency of the Collateral Manager if the exemption in Article 5(6) of the UK-Ireland convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains ("**UK-Ireland Treaty**") applies. This exemption will apply if the Collateral Manager, in acting on behalf of the Issuer, is regarded as an independent agent acting in the ordinary course of its business for the purpose of the UK-Ireland 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) has a beneficial entitlement to more than 20 per cent. of the relevant disregarded income (as defined in section 1148 of the Corporation Tax Act 2010), which will be the case at least as a result of its obligation (in its capacity as Retention Holder) to hold the Retention. However, the inapplicability of this domestic exemption should not have any effect on the UK tax position of the Issuer if the exemption in Article 5(6) of the UK-Ireland Treaty, as referred to above, applies. See 3.2 "*OECD Action Plan on Base Erosion and Profit Shifting*" above.

Should the Collateral Manager be assessed to UK tax on behalf of the Issuer, it will (subject to certain exemptions) 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 paragraphs (C) and (W) of the Interest Proceeds Priority of Payments, paragraphs (A) and (P) of the Principal Proceeds Priority of Payments or paragraphs (C) and (U) of the Post-Acceleration Priority of Payments, as applicable. 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, under item (A) of the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments or the Post-Acceleration Priority of Payments, as applicable, UK tax on its UK taxable profit attributable to its UK activities. The Issuer would also be liable to pay, under item (A) of the Interest Proceeds Priority of Payments, Principal Proceeds Priority of Payments or the Post-Acceleration Priority of Payments, as applicable, UK tax on its UK taxable profits in the unlikely event that it were treated as being tax resident in the UK.

3.9 FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income. Under an intergovernmental agreement entered into between the United States and Ireland, the Issuer will not be subject to withholding under FATCA if it complies with Irish regulations that require the Issuer to provide the name, address and taxpayer identification number of, and certain other information (including a Noteholder's direct or indirect owners or beneficial owners) with respect to, certain Noteholders to the Irish Revenue Commissioners, which would then provide this information to the IRS. There can be no

assurance that the Issuer will be able to comply with these regulations. Moreover, the intergovernmental agreement could be amended to require the Issuer to withhold on "passthru" payments to certain investors that fail to provide certain information to the Issuer or are "foreign financial institutions" that do not comply with FATCA.

If a Noteholder fails to provide the Issuer or its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer, or if the Noteholder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Noteholder, to compel the Noteholder (other than the Collateral Manager in relation to the Retention Notes) to sell its Notes, and, if the Noteholder (other than the Collateral Manager in relation to the Retention Notes) does not sell its Notes within 10 business days after notice from the Issuer, to sell the Noteholder's Notes on behalf of the Noteholder. Similarly, a beneficial owner of the Notes that holds its Notes through an intermediary may be subject to withholding tax on distributions on the Notes or forced sale of its interest in the Notes if it fails to provide certification and certain other information (including its direct or indirect owners or beneficial owners) about itself required under FATCA.

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

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

3.11 U.S. Trade or Business

The Issuer expects to conduct its affairs so that it will not be treated as engaged in a trade or business within the United States (including as a result of lending activities). As a consequence, the Issuer expects that its net income will not become subject to U.S. federal income tax. There can be no assurance, however that its net income will not become subject to U.S. federal income tax as the result of unanticipated activities, changes in law, contrary conclusions by the U.S. tax authorities or other causes. If the Issuer were to breach certain of its covenants and acquire certain assets (for example, a "United States real property interest" or an equity interest in an entity that is treated as a partnership for U.S. federal income tax purposes and that is itself engaged in a trade or business in the United States), including upon a foreclosure, or breach certain of its other covenants, the Issuer could be engaged in a U.S. trade or business for U.S. federal income tax purposes. Moreover, a breach of certain of these covenants may not give rise to a Note Event of Default and may not give rise to a claim against the Issuer or the Collateral Manager. A change in law or its interpretation also could result in the Issuer being treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis. If it is 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 will be subject under the Code to the regular U.S. corporate income tax on its effectively connected taxable income, which may be imposed on a gross basis, and possibly to a 30 per cent. branch profits tax and state and local taxes as well. The imposition of such a tax liability could materially adversely affect the Issuer's ability to make payments on the Notes.

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

The Class E Notes could be treated as representing equity in the Issuer for U.S. federal income tax purposes. If the Class E Notes are so treated, gain on the sale of a Class E Note could be treated as ordinary income and subject to an additional tax in the nature of interest, and certain interest on the Class E Notes could be subject to the additional tax. U.S. Holders (as defined in "*Tax Considerations – United States Federal Income Taxation*") may be able to avoid these adverse consequences by filing a "protective" qualified electing fund election with respect to their Class E Notes. Alternatively, if the

Class E Notes are treated as equity for U.S. federal income tax purposes, U.S. Holders of those Notes could be subject to the rules pertaining to 10 per cent United States shareholders of controlled foreign corporations ("**CFCs**"). See "*Tax Considerations - United States Federal Income Taxation - U.S. Federal Tax Treatment of U.S. Holders of Rated Notes - Possible Treatment of Class E Notes as Equity for U.S. Federal Tax Purposes*".

3.13 Additional Notes Not Issued for Tax Purposes

Any additional Notes issued after the Issue Date may not be treated as part of the same issue for U.S. federal income tax purposes as the Notes of the same Class that were previously issued. As a result, different blocks of Notes could be treated differently for U.S. federal income tax purposes from other blocks of the same Class. If all blocks of a Class of Notes bear the same securities identifier, the Issuer and holders may not be able to distinguish between different blocks of that Class. As a result, information returns furnished to investors may not accurately reflect the amount of OID required to be accrued by them.

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

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

3.15 Withholding Tax on the Notes

Although no withholding tax is currently expected to be imposed on payments of interest on the Notes by or on behalf of the Issuer, there can be no assurance that the law will not change and pursuant to Condition 9 (*Taxation*) the Issuer shall withhold or deduct from any such payments any amounts on account of tax where so required by law or any relevant taxing authority or in connection with FATCA. In particular, the Issuer has the right to withhold at the required rate on all payments made to any beneficial owner of an interest in any of the Notes as required by FATCA.

In the event that any withholding tax or deduction for tax is imposed on payments of interest on the Notes, the holders of the Notes will not be entitled to receive grossed-up amounts to compensate for such withholding tax and no Note 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 each 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 and Class M Notes in such circumstances in accordance with the Priorities of Payments.

3.16 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 the 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).

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of the CRS while the Finance Act 2014 of Ireland and the Finance Act 2015 of Ireland contain measures necessary to implement the CRS internationally and across the European Union, respectively. The Returns of Certain Information by Reporting Financial Institutions Regulations 2015 of Ireland (the "**Regulations**") giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Over 95 jurisdictions have committed to exchanging information under the CRS and a group of 50 countries, including Ireland and all EU Member States (known as the "**Early Adopter Group**") committed to the early adoption of the CRS from 1 January 2016. The Early Adopter Group activated their exchange relationships under the CRS and commenced the exchange of data in September 2017. In November 2017, a further 53 jurisdictions committed to activating their exchange relationships by September 2018.

The Irish Revenue Commissioners have indicated that Irish 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, an Irish 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 Irish Revenue Commissioners. The information will be provided to the Irish Revenue Commissioners who will exchange the information with the tax authorities of other participating jurisdictions, as applicable. Failure by an Irish 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 Irish 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. Further information in relation to CRS can be found on the Automatic Exchange of Information webpage on www.revenue.ie.

4 OTHER REGULATORY CONSIDERATIONS

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the banks, financial industry and 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 Collateral Manager, the Retention Holder, the Trustee nor any of their respective Affiliates makes any representation, warranty or guarantee 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.

Without limitation to the above, other regulatory initiatives which are relevant include the following:

4.1 Basel

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

In December 2017, the BCBS announced a set of amendments to the Basel III package, described by some commentators as "**Basel IV**". These reforms introduce significant limitations on the ability of banks to reduce their capital requirements through their calculation of risk weighted assets ("**RWAs**") using the Internal Ratings Based approach (the "**IRB Approach**"). The reforms include revisions to the IRB Approach for credit risk, revised minimum capital requirements for market risk, revisions to the credit value adjustment risk framework, amendments to the leverage ratio exposure measure and the introduction of a leverage ratio buffer for global systemically important banks ("**G-SIBs**"), which will take the form of a Tier 1 capital buffer set at 50% of a G-SIB's risk-weighted capital buffer. The reforms also introduce an aggregate output floor, which will ensure that banks' RWAs generated by internal models used in the IRB approach are no lower than 72.5% of RWAs as calculated by the Basel III framework's standardised approaches. The Basel IV reforms will have to be implemented by January 2022, with the exception of the new output floor requirement, which will phased in between 1 January 2022 and the end of 2026, becoming fully effective on 1 January 2027. No timeline has been established for adopting these changes by the U.S. banking regulatory agencies.

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

4.2 Risk Retention and Due Diligence

EU Risk Retention and Due Diligence

Investors should be aware and in some cases are required to be aware of the risk retention, transparency and due diligence requirements in Europe (the "**EU Risk Retention and Due Diligence Requirements**") which currently apply in respect of various types of EU regulated investors including institutions for occupational retirement, credit institutions, alternative investment fund managers who manage or market alternative investment funds in the EU, investment firms, insurance and reinsurance undertakings and management companies of UCITS funds (or internally managed UCITS) which are set out in Regulation (EU) 2017/2402 (the "**Securitisation Regulation**"). These requirements restrict such investors from investing in securitisations unless such investors have verified that: (i) the originator, sponsor or original lender will retain, on an ongoing basis, a material net economic interest of not less than five per cent. in the securitisation in accordance with Article 6 of the Securitisation Regulation and the risk retention is disclosed to the investor in accordance with Article 7 of the Securitisation Regulation; and (ii) the originator, sponsor or securitisation special purpose entity ("**SSPE**") has, where applicable, made available the information required by Article 7 of the Securitisation Regulation (as to which, see below) in accordance with the frequency and modalities provided for in that Article; and (iii) where the originator or original lender is established in the EU, and is not a credit institution or an investment firm as defined in points (1) and (2) of Article 4(1) of Regulation 2013/575/EU, the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in accordance with Article 9(1) of the Securitisation Regulation. Failure to comply with one or more of the requirements may result in

various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the Notes acquired by the relevant investor. Aspects of the requirements and what is or will be required to demonstrate compliance to competent authorities remain unclear.

The risk retention, transparency and due diligence requirements described above apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulators), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Retention Holder to retain a material net economic interest in the transaction, please see the summary set out in "*The Retention Holder and the EU Retention and Transparency Requirements*" below.

Relevant investors are required to independently assess and determine the sufficiency of the information described therein for the purposes of complying with any relevant requirements and none of the Issuer, the Initial Purchaser, the Sole Arranger, the Collateral Manager, the Trustee or the Retention Holder, nor any of their respective Affiliates or any other person makes any representation that the information described therein is sufficient in all circumstances for such purposes or any other purpose or that the structure of the Notes, the Retention Holder (including its holding of the Retention Notes) and the transactions described herein are compliant with the EU Risk Retention and Due Diligence Requirements described above or any other applicable legal or regulatory or other requirements and no such person shall have any liability to any prospective investor with respect to any deficiency in such information or any failure of the transactions or structure contemplated hereby to comply with or otherwise satisfy such requirements. Without limiting the foregoing, investors should be aware that at this time, the EU authorities have published only limited binding guidance relating to the satisfaction of the EU Retention and Transparency Requirements by an institution similar to the Retention Holder. Furthermore, any relevant regulator's views with regard to the EU Retention and Transparency Requirements may not be based exclusively on technical standards, guidance or other information known at this time.

Prospective investors should therefore make themselves aware of the EU Risk Retention and Due Diligence Requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. If a regulator determines that the transaction did not comply or is no longer in compliance with the EU Risk Retention and Due Diligence Requirements or any applicable legal, regulatory or other requirement, then investors may be required by their regulator to set aside additional capital against their investment in the Notes or take other remedial measures in respect of their investment in the Notes and the Issuer, the Collateral Manager and the Retention Holder may be subject to administrative sanctions in the case of negligence or intentional infringement of the requirements of Article 7 of the Securitisation Regulation, including pecuniary sanctions of at least EUR5,000,000 (or its equivalent) or 10 per cent. of total annual net turnover. Any such pecuniary sanction levied on the Collateral Manager or the Retention Holder may materially adversely affect the ability of the Collateral Manager or the Retention Holder (as applicable) to perform its obligations under the Transaction Documents and could have a negative impact on the price and liquidity of the Notes in the secondary market. Any such pecuniary sanction levied on the Issuer may materially adversely affect the ability of the Issuer to repay principal and pay interest on the Notes. Any changes in the law or regulation, the interpretation or application of any law or regulation or changes in the regulatory capital treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. Without limitation to the foregoing, no assurance can be given that the EU Risk Retention and Due Diligence Requirements, or the interpretation or application thereof, will not change (whether as a result of the legislative proposals put forward by the European Commission or otherwise), and, if any such change is effected, whether such change would affect the regulatory position of current or future investors in the Notes. The Retention Holder does not have an obligation to change the quantum or nature of its holding of the Retention Notes due to any future changes in the EU Risk Retention and Due Diligence Requirements or in the interpretation thereof. Any costs incurred by the Issuer and/or the Collateral Manager in connection with satisfying the requirements of the Securitisation Regulation shall be paid by the Issuer as Administrative Expenses.

Article 7 of the Securitisation Regulation contains transparency requirements (the "**Transparency Requirements**") that require the originator, sponsor and SSPE of a securitisation to make certain prescribed information relating to the securitisation available to investors, competent authorities and,

upon request, to potential investors. Article 7 also requires that one party is designated as the reporting entity and the Issuer has been designated as such as further described below.

The Collateral Administrator, acting on behalf of the Issuer, has made the documentation referred to in Article 7(1)(b) of the Securitisation Regulation available to Noteholders, prospective holders of the Notes and the competent authorities (A) via a website currently located at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Trustee, the Retention Holder and the Collateral Manager and the Noteholders in accordance with Condition 16 (*Notices*)) which shall be accessible to the Competent Authorities, any Noteholder and, upon request, any potential investor in the Notes, and/or (B) by such other method of dissemination as is required or permitted by the Securitisation Regulation. Under Article 7 of the Securitisation Regulation, certain Transaction Documents and any transaction summary required pursuant to Article 7(1)(c) are required to be made available before pricing. It is not possible to make final documentation available before pricing and so the Collateral Administrator (acting on behalf of the Issuer), will make draft documentation available in substantially final form by way of the above mentioned website. Such Transaction Documents in final form will be available on and after the Issue Date.

The Issuer shall, with reasonable assistance from the Collateral Manager, notify the Central Bank of Ireland of the transaction described in the Transaction Documents no later than 15 Irish Business Days after the Issue Date, which notification shall comply with the Central Bank of Ireland's guidance in relation to the Irish STS Regulations and the Collateral Manager, in accordance with the Collateral Management Agreement, has undertaken to make all filings of the necessary private securitisation notification with the FCA in the form and manner and in accordance with the timeframes required by the FCA pursuant to The Securitisation Regulation 2018 (SI 2018/1288).

Article 7 of the Securitisation Regulation also includes ongoing reporting obligations which include quarterly portfolio level disclosure ("**Loan Reports**"); quarterly investor reports ("**Investor Reports**"); any inside information relating to the securitisation that the reporting entity is obliged to make public under the Market Abuse Regulation ("**Inside Information**"); and any significant events ("**Significant Events**").

The Loan Reports and the Investor Reports are to be made available simultaneously on a quarterly basis and at the latest one month after each Payment Date. With respect to any period where no Payment Date occurs quarterly, the Loan Reports and Investor Reports are required to be made available simultaneously not more than three months after the most recent publication of the Loan Reports and Investor Reports, or within three months of the Issue Date. Disclosures relating to any Inside Information and Significant Events are required to be made available without delay.

The originator, sponsor and SSPE must designate amongst themselves one entity to fulfil the disclosure requirements (the "**reporting entity**") under the Securitisation Regulation. The Issuer has undertaken to act as the reporting entity in relation to the issuance of the Notes and shall be liable for ensuring the satisfaction of the disclosure requirements. Notwithstanding the designation of the Issuer as the reporting entity, it is not clear whether the Retention Holder, as originator, is also responsible for ensuring compliance with the disclosure requirements. If the Retention Holder is also responsible, and there is a breach of the reporting requirements of Article 7 of the Securitisation Regulation, the Retention Holder could be subject to administrative sanctions, including pecuniary sanctions of up to at least EUR5,000,000 (or its equivalent) or 10 per cent. of its total annual net turnover. Any such pecuniary sanction levied on the Retention Holder may materially adversely affect the ability of the Retention Holder to perform its obligations under the Transaction Documents and could have a negative impact on the price and liquidity of the Notes in the secondary market.

The Collateral Manager, in accordance with the Collateral Management Agreement, has undertaken to reasonably assist the Issuer in complying with its obligations under Article 7 of the Securitisation Regulation, including by providing to the Collateral Administrator (or any applicable third party reporting entity) any reports, data and other information required for compliance by the Issuer with Article 7 of the Securitisation Regulation (save to the extent such reports, data and/or other information has already been provided to, or is already available to, the Collateral Administrator (or such applicable third party reporting entity)) *provided* that the Collateral Manager shall not be responsible or liable for failing to provide any reports, data and other information that the Collateral Manager is unable to procure or source using reasonable efforts. Prior to the adoption of final disclosure templates in respect of the

Transparency Requirements of Article 7 of the Securitisation Regulation, the Issuer intends to fulfil those requirements contained in subparagraphs (a) and (e) of Article 7(l) of the Securitisation Regulation through the Payment Date Reports and the Monthly Reports, see "*Description of the Reports*"). Whether the Collateral Manager and the Collateral Administrator will be able to obtain and report all of the information required to be reported in accordance with Article 7 of the Securitisation Regulation is unclear and the Issuer has agreed pursuant to the Collateral Management Agreement that the Collateral Manager will not be responsible for or liable to the Issuer in respect of the provision of information required for the purpose of the Issuer's obligations under the EU Transparency Requirements if such information cannot be procured or sourced by the Collateral Manager using reasonable efforts.

As soon as reasonably practicable following the adoption of the final reporting templates pursuant to the EU Transparency Requirements, the Issuer and the Collateral Manager will propose in writing to the Collateral Administrator the form, content, timing and method of distribution of the additional reporting templates and information relating thereto. The Collateral Administrator shall consult with the Issuer and the Collateral Manager and, if it agrees to assist the Issuer with such reporting on such proposed terms, shall confirm in writing to the Issuer and the Collateral Manager. If the Collateral Administrator agrees to assist the Issuer with such reporting, the Collateral Administrator shall make such information, including each Loan Report and each Investor Report, available via a secured website (available at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser and each Hedge Counterparty and as notified by the Issuer (with reasonable assistance, if the Issuer so requires, from the Collateral Manager) to each Rating Agency and the Noteholders from time to time)) (or by such other method of dissemination as is required or permitted by the Securitisation Regulation (as instructed by the Issuer (or the Collateral Manager on its behalf) and as agreed with the Collateral Administrator)) to any person who certifies to the Collateral Administrator (which certification may be given electronically and upon which certification the Collateral Administrator may rely absolutely) that it is (i) the Issuer, (ii) the Trustee, (iii) the Collateral Manager, (iv) the Initial Purchaser, (v) a Hedge Counterparty, (vi) a Rating Agency, (vii) a Noteholder, (viii) a Competent Authority or (ix) a potential investor in the Notes. If the Collateral Administrator does not agree to assist the Issuer and the Collateral Manager with such reporting, the Issuer and the Collateral Manager shall appoint another entity to make such information available, *provided* that, if the Collateral Administrator does not agree to provide such reporting, it will use reasonable endeavours to assist (at the request and cost of the Issuer) the Issuer in transferring all relevant information held by it to such other service provider.

Any failure by the Issuer to fulfil its obligations in respect of the reporting obligations of Article 7 of the Securitisation Regulation may cause the transaction to be non-compliant with the Securitisation Regulation. If a regulator determines that the transaction did not comply or is no longer in compliance with the reporting obligations, then investors may be required by their regulator to set aside additional capital against their investment in the Notes or take other remedial measures in respect of their investment in the Notes and the Issuer and the Collateral Manager may be subject to administrative sanctions in the case of negligence or intentional infringement of the requirements of Article 7 of the Securitisation Regulation, including pecuniary sanctions of at least EUR5,000,000 (or its equivalent) or 10 per cent. of total annual net turnover. Any such pecuniary sanctions levied on the Collateral Manager may materially adversely affect the Collateral Manager's ability to perform its obligations under the Transaction Documents. Any such pecuniary sanctions levied on the Issuer may materially adversely affect the Issuer's ability to perform its obligations under the Notes and could have a negative impact on the price and liquidity of the Notes in the secondary market.

Investors should be aware that the Issuer shall not be entitled to indemnification by the Collateral Manager in respect of any such sanction unless the relevant circumstances are caused by a Collateral Manager Breach. Investors should note that Article 32 of the Securitisation Regulation refers to a liability standard of "negligence and intentional infringement" whereas the definition of Collateral Manager Breach refers to a less onerous liability standard of "bad faith, wilful misconduct or gross negligence (with such term given its meaning under New York law)" – see "*Description of the Collateral Management Agreement – Responsibilities of the Collateral Manager, Indemnities*" below, which represents a significantly lower standard of care than negligence under English law. Investors should also be aware that the Collateral Manager will not be entitled to indemnification by the Issuer in respect of any pecuniary sanctions to which the Collateral Manager may become liable pursuant to Article 32 of the Securitisation Regulation arising as a result of any negligent act or omission in the performance of the Collateral Manager's obligations. Investors should therefore be aware that the Issuer could therefore face a pecuniary charge under the Securitisation Regulation as a result of any act by the Collateral

Manager triggering the liability of the Issuer under Article 32 of the Securitisation Regulation but with such act by the Collateral Manager falling below the less onerous liability standard under New York law required for indemnification by the Collateral Manager. Any such pecuniary sanctions levied on the Issuer, in particular where no indemnity is available from the Collateral Manager as described herein may reduce the returns on the Notes to investors. Furthermore, the Collateral Management Agreement provides that the Collateral Manager shall not be responsible or liable in respect of the services to be provided to the Issuer in respect of the EU Retention Requirements and/or the EU Transparency Requirements if any information requested or required by the Issuer for the purpose of its obligations under the EU Transparency Requirements cannot be procured or sourced by the Collateral Manager using reasonable efforts. There is therefore no guarantee that the Collateral Manager will be able to procure or source for the Issuer at all or in timely fashion the information required by the Issuer to satisfy the Issuer's obligations in respect of the EU Retention Requirements and/or the EU Transparency Requirements.

On 16 October 2019, the Commission adopted certain technical standards under the Transparency Requirements containing detailed draft disclosure templates that are required to be completed with respect to the Loan Reports, Investor Reports and, in relation to public transactions only, Inside Information and Significant Events (the "**Transparency RTS**"). The European Parliament and the Council now have a prescribed period (which may be extended) following such adoption during which they may object to the Transparency RTS. The application date of the Transparency RTS and the reporting requirements contained therein has not yet been specified. Further, there remains significant uncertainty as to the jurisdictional scope of the reporting requirements contained in the Transparency RTS.

In addition, the grandfathering provisions of the Securitisation Regulation with respect to the reporting obligations provide that until the regulatory technical standards relating to Article 7 of the Securitisation Regulation to be adopted by the European Commission apply, for the purposes of the Loan Reports and the Investor Reports, the reporting entity shall make available the information referred to in Annexes I to VIII of Delegated Regulation (EU) 2015/3 (the "**CRA3 RTS**"). In their current form, the CRA3 RTS only apply to structured finance instruments for which a reporting template has been specified. Currently there is no template for CLO transactions nor is it expected that one will be developed in accordance with the CRA3 RTS.

On 30 November 2018 the European Banking Authority (the "**EBA**"), ESMA and the European Insurance and Occupational Pensions Authority (collectively the "**European Supervising Authorities**" or "**ESAs**") published a joint statement (the "**Joint Statement**") regarding the reporting templates under Article 7 of the Securitisation Regulation.

The ESAs have stated that they expect national competent authorities ("**CAs**") to generally apply their supervisory powers in their day-to-day supervision and enforcement of applicable legislation in a proportionate and risk-based manner. This approach entails that the CAs can, when examining reporting entities' compliance with the disclosure requirements of the Securitisation Regulations (which will apply from 1 January 2019, albeit in a non-standardised manner), take into account the type and extent of information already being disclosed by reporting entities. The ESAs also noted that they expect that difficulties with compliance will be solved with the final adoption of the disclosure templates in respect of the Transparency Requirements of Article 7 of the Securitisation Regulation. As such, the Joint Statement from the ESAs should be viewed as a temporary measure. The Joint Statement goes on to state that this approach does not entail general forbearance, but a case-by-case assessment by the CAs of the degree of compliance with the Securitisation Regulation.

In light of the Joint Statement, the transaction described herein will initially seek to comply with subparagraphs (a) and (e) of Article 7(1) of the Securitisation Regulation through preparation of the Monthly Reports and the Payment Date Reports (see "*Description of the Reports*") and which will not be in the form prescribed under the CRA3 RTS as no underlying asset template exists for CLO transactions. Investors should note that it is for relevant competent authorities to determine whether they consider that this form of reporting satisfies Article 7 of the Securitisation Regulation and none of the Issuer, the Collateral Manager, the Retention Holder, the Initial Purchaser, the Sole Arranger, the Trustee or any other person gives any assurance as to whether this form of reporting will satisfy Article 7 of the Securitisation Regulation. As the Joint Statement does not "grandfather" transactions that are issued after 1 January 2019 but before the final disclosure templates are formally adopted, such transactions, including the transaction described herein, will need to comply with the disclosure templates required by Article 7 of the Securitisation Regulation once they are adopted. In addition, the Financial Conduct

Authority and the PRA (as the UK Corporate Authorities) issued a joint statement on 20 December 2018 providing reporting templates for private securitisations which the Collateral Manager shall be required to complete.

The Securitisation Regulation imposes certain direct obligations on the originator, sponsor or original lender of a securitisation including to retain on an ongoing basis a material net economic interest in the securitisation of not less than five per cent. A failure by the Retention Holder to comply with the Securitisation Regulation's direct requirements may result in administrative and/or criminal penalties being imposed on the Retention Holder as described above, and may materially adversely affect the ability of the Retention Holder to perform its obligations under the Transaction Documents and could have a negative impact on the price and liquidity of the Notes in the secondary market.

Under the Securitisation Regulation, originators shall not select assets to be transferred to the SSPE of a securitisation with the aim of rendering losses on the assets transferred to an SSPE, measured over the life of the transaction higher than the losses over the same period on comparable assets held on the balance sheet of the originator. Originators may select assets to be transferred to the SSPE that *ex ante* have a higher-than-average credit-risk profile compared to the average credit-risk profile of comparable assets that remain on the balance sheet of the originator, as long as the higher credit-risk profile of the assets transferred to the SSPE is clearly communicated to the investors or potential investors.

In this regard, investors should be aware that the Retention Holder has notified the Issuer that the Originated Assets may have a credit-risk profile which is higher than that of comparable assets held on the balance sheet of the Retention Holder.

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

U.S. Risk Retention Rules

On 21 October 2014, the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the "**U.S. Risk Retention Rules**") were issued. Except with respect to asset-backed securities transactions that satisfy certain exemptions, the U.S. Risk Retention Rules generally require a "sponsor" of asset-backed securities or its "majority-owned affiliate" (as defined in the U.S. Risk Retention Rules) to retain not less than 5 per cent. of the credit risk of the assets collateralising asset-backed securities (the "**Minimum Risk Retention Requirement**").

On 9 February 2018, a three-judge panel (the "**Panel**") of the United States Court of Appeals for the District of Columbia Circuit ruled in favour of the Loan Syndications and Trading Association in its lawsuit against the Securities and Exchange Commission and the Board of Governors of the Federal Reserve System, No. 1:16-cv-0065 and held that collateral managers of "open market CLOs" (described in the LSTA Decision as CLOs where assets are acquired from "arms-length negotiations and trading on an open market") are not "securitizers" or "sponsors" under Section 941 of the Dodd-Frank Act and, therefore, are not subject to risk retention and do not have to comply with the U.S. Risk Retention Rules (the "**LSTA Decision**"). The Panel's opinion in the LSTA Decision became effective on 5 April 2018, when the district court entered its order following the issuance of the appellate mandate on 3 April 2018 (the "**Mandate**") in respect thereof.

As a result, the Collateral Manager has informed the Issuer that it does not expect to be required to retain the Minimum Risk Retention Requirement pursuant to the U.S. Risk Retention Rules. The Collateral Manager in its capacity as Retention Holder will, however, retain the Retention Notes on the Issue Date, with the intention of complying with the EU Retention and Transparency Requirements. There is no assurance, representation or warranty that the U.S. Risk Retention Rules do not apply to this transaction as of the Issue Date and there can be no guarantee that the applicable governmental agencies will agree with any such interpretation. Accordingly, investors will not be entitled to the protections previously afforded by the U.S. Risk Retention Rules that required CLO collateral managers to have "skin in the game" and to comply with certain disclosure obligations specified in the U.S. Risk Retention Rules, except to the extent that the Collateral Manager does so through its compliance with the EU Retention and Transparency Requirements.

No assurance can be made whether or not any governmental authority will continue to take further legislative or regulatory action in response to past or future economic crises, or otherwise, including by adopting new credit risk retention rules for the type of transaction contemplated herein (a "**New Risk Retention Rule**" and together with the U.S. Risk Retention Rules, " **U.S. Retention Regulations**"), and the effect (and extent) of such actions, if any, cannot be known or predicted.

If any determination is made that this transaction is subject to the U.S. Risk Retention Rules, the Collateral Manager may fail to comply (or not be able to comply) with the U.S. Risk Retention Rules, which may have a material adverse effect on the Collateral Manager, the Issuer and/or the market value and/or liquidity of the Notes.

In the event that the U.S. Retention Regulations become applicable to this transaction in the future, the Issuer's ability to effect any additional issuance of Notes, any Refinancing or any material amendment may be impaired or limited due to the consent rights of the Collateral Manager with respect to each such action. In granting or withholding its consent to any such action to the extent it is required under the Trust Deed with respect thereto, it should be expected that the Collateral Manager will act in its own self-interest (and will not take into account the interests of any other Person, including the Issuer and/or any holder of Notes).

It should be noted that the LSTA Decision did not address whether an "open market CLO" includes transactions such as this one, in which the Issuer is permitted to acquire bonds in addition to loans. However, consistent with an "open market CLO", the Issuer is expected to acquire any bonds pursuant to arms-length negotiations in the open market. However, there can be no assurance that the federal agencies responsible for the U.S. Retention Regulations will not seek to distinguish this transaction from the open market CLOs covered by the LSTA Decision and apply the U.S. Retention Regulations to this transaction.

Japanese Retention Rule

The Japanese Financial Services Agency recently published a rule introducing risk retention and disclosure requirements as part of the regulatory capital regulation of certain categories of Japanese investors (such investors, "**Japanese Affected Investors**") seeking to invest in securitisation transactions (the "**Final JRR Rules**"). Among other things, the Final JRR Rules will require Japanese Affected Investors to apply higher risk weighting to securitisation exposures they hold unless such investor can conclude (on the basis of appropriate due diligence) either that the applicable "originator" (as defined in the Final JRR Rules) or another party "deeply involved in the organisation of the securitised product" has committed to hold a retention piece of at least 5 per cent. of the total exposure of the underlying assets in the securitisation transaction (the "**Japanese Retention Requirement**") or that the underlying assets were not "inappropriately originated". Under the Final JRR Rules, Japanese Affected Investors will be subject to punitive capital requirements and/or other regulatory penalties with respect to investments in securitisation transactions that fail to comply with the Final JRR Rules.

The Final JRR Rules became effective on 31 March 2019 with respect to securities issued in securitisation transactions on and after such date, including the Notes. No official English language translation of the Final JRR Rules has been made available as of the date hereof and no assurances can be made as to the content, impact or interpretation of the Final JRR Rules and in particular it is unclear how 5 per cent. of the total exposure of the underlying assets is to be calculated for purposes of the Final JRR Rules and what materials a Japanese Affected Investor may rely on to determine whether the underlying assets in a securitisation were not "inappropriately originated." It should be noted, however, that while no assurances may be provided, the retention interests held by the Retention Holder could be deemed to constitute eligible retention interests for purposes of the Japanese Retention Requirement. The ability to draw such a conclusion would require the Retention Holder to qualify as an "originator" for purposes of the Japanese Retention Requirement and require that the Notes to be purchased and held by the Retention Holder qualify as a compliant retention interest, both of which are uncertain and there is no guidance on these issues at this time. Whether and to what extent the Japanese Financial Services Authority may provide further clarification or interpretation as to the Final JRR Rules is unknown.

The Final JRR Rules may deter Japanese Affected Investors from purchasing Notes, which may limit the liquidity and trading of the Notes, and as a consequence may adversely affect the market price of the Notes. In addition, the Final JRR Rules may deter Japanese Affected Investors from purchasing CLO

debt generally, which may adversely affect leveraged loan or CLO markets generally and the Issuer's ability to refinance the Notes in particular.

Each purchaser or prospective purchaser of the Notes is responsible for analysing its own regulatory position and is advised to consult with its own advisers regarding the suitability of the Notes for investment and the applicability of the Final JRR Rules to this transaction. None of the Issuer, the Collateral Manager, the Sole Arranger, the Initial Purchaser, the Trustee, the Agents, the Retention Holder or any other Person offers any assurances as to compliance with the Final JRR Rules (or regarding actions by any such Person to facilitate compliance with the Final JRR Rules by any other Person) or makes any representation, warranty or agreement regarding the Final JRR Rules (including whether any Collateral Debt Obligation was or was not "inappropriately originated") or the ability of Japanese Affected Investors to conclude that this transaction complies with the requirements of the Final JRR Rules.

4.3 European Market Infrastructure Regulation (EMIR)

The European Market Infrastructure Regulation EU 648/2012 as amended from time to time ("**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" ("**FCs**") (such as certain investment firms, alternative investment funds (in respect of which, see 4.5 "*Alternative Investment Fund Managers Directive*" below), credit institutions and insurance companies), "non-financial counterparties" ("**NFCs**") or third country entities equivalent to FCs or NFCs.

Types of entities and obligations

EMIR sets out thresholds for entities to assist with the categorisation thereof: (i) in the case of NFCs, the aggregate month-end average position for the previous 12 months of all OTC derivative contracts entered into by the NFC and other non-financial entities within its "group" (as defined in EMIR), excluding eligible hedging transactions, does not exceed certain thresholds (set per asset class of OTC derivatives), however, once the threshold for one asset class is exceeded, the NFC will be categorised as an NFC+ and (ii), in the case of FCs, the same thresholds apply, but FCs: (A) cannot exclude their hedging transactions from the threshold calculations, and (B) once the threshold for one asset class is exceeded, the FC must clear all OTC derivatives via an authorised or recognised central counterparty. FCs and NFCs, in each case, which are above the "clearing threshold" ("FC+s" and "NFC+s" respectively) are subject to an obligation to clear through an authorised or recognised central counterparty (the "**clearing obligation**") all classes of OTC derivatives it has entered into of a type within the scope of the clearing requirement (NFC+s need only clear those asset classes of such OTC derivatives in respect of which the clearing threshold is exceeded). All counterparties must report the details of all derivative contracts to a trade repository (the "**reporting obligation**") (provided that from 18 June 2020, FCs have been responsible under EMIR for reporting in connection with OTC derivative contracts on behalf of both themselves and their NFC counterparties that are not subject to the clearing obligation, and accordingly, each Hedge Counterparty will be required to report details of any relevant Hedge Transactions for both itself and the Issuer) 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 FCs and NFC+s must also be marked-to-market on a daily basis and collateral may be required to be exchanged (the "**margin requirement**") to the extent that the FC or NFC+ enters into OTC derivatives transactions with other counterparties subject to the margin requirement.

NFCs which are below such "clearing threshold" (each, an "**NFC-**") and small financial counterparties (as described under EMIR) are not subject to the clearing obligation. An NFC- is also exempted from certain additional risk mitigation obligations, such as the posting of collateral.

Securitisation special purpose entities are excluded from categorisation as a FC under EMIR.

Margin requirement

The margin requirement applies to non- cleared OTC derivatives. The margin requirement applies to FCs and NFC+s which transact with other FCs, NFC+s and third country equivalents (subject to exemptions)

and, depending on the counterparty, will require collection and posting of variation margin and, for the largest counterparties/groups, initial margin. Variation margin requirements already apply and initial margin requirements are taking effect through a staged implementation period.

Under EMIR, NFCs should calculate their aggregate month-end average positions for the previous 12 months. If an entity (such as the Issuer) is classified as NFC-, it is important that the calculation is made to avoid any concern or questions arising relating to the classification.

The Issuer expects to be an NFC-. However, 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/or if the aggregate month-end average position of OTC derivative contracts entered into by the Issuer and any non-financial entities within such group exceeds the applicable thresholds (excluding eligible hedging transactions), 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. Also, please see 4.5 "*Alternative Investment Fund Managers Directive*" below in respect of the potential classification of the Issuer as an AIF.

Prospective investors should be aware that 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 or materially amend Hedge Transactions (and may also lead to termination of existing Hedge Transactions and/or Hedge Agreements) and/or may significantly increase the cost of entering into derivative contracts (to the extent that the Issuer is reclassified as a FC or NFC+ and becomes subject to marking to market and collateral posting requirements in respect of non-cleared OTC derivatives such as the Asset Swap Transactions and the Interest Rate Hedge Transactions). Being unable to enter into Hedge Transactions would affect the Issuer's ability to acquire Non-Euro Obligations and manage interest rate risk. As a result of such eventualities 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 Notes.

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*".

The Conditions permit the Issuer to amend, modify and/or supplement any Transaction Document and oblige the Trustee, without the consent of any of the Noteholders, to consent to the making of such amendment, modification or supplement to the Transaction Documents which the Issuer certifies are required to comply with the requirements of EMIR which may become applicable in the future.

4.4 CFTC Regulations

Pursuant to the Dodd-Frank Act, the U.S. 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 of 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) record-keeping obligations, or (iv) reporting 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 Debt 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 particular, regulations promulgated by the CFTC or other relevant U.S. regulators requiring the posting of variation margin by entities such as the Issuer (insofar as it enters into Hedge Transactions with any Hedge Counterparty that is also subject to this requirement) went into effect in the United States on 1 March 2017. However, pursuant to the release of a letter from the CFTC dated 13 February 2017 and guidance from the Federal Reserve Board and the Office of the Comptroller of the Currency dated 23 February 2017, the relevant U.S. regulators confirmed their intention to adopt a no-action position relating to such regulations as they apply to certain counterparties that do not present significant credit and market risks, in order to provide relief from compliance with the variation margin requirements to certain swap dealers until 1 September 2017, subject to certain conditions. While transactions existing prior to 1 March 2017 are expected to be exempt from such requirement, new Hedge Transactions would be subject to it, as might existing Hedge Transactions that undergo a material amendment, based on guidance provided and positions taken by U.S. regulators in other contexts.

4.5 Alternative Investment Fund Managers Directive

The AIFMD regulates alternative investment fund managers ("**AIFMs**") and provides in effect that each alternative investment fund (an "**AIF**") within the scope of the AIFMD must have a designated AIFM responsible for ensuring compliance with the AIFMD. Although there is an exemption in the AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"), the European Securities and Markets Authority 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, so there can be no certainty as to whether the Issuer would benefit from the SSPE Exemption.

However, as regards the position in Ireland, the Central Bank has confirmed that pending such further clarification from ESMA, "registered financial vehicle corporations" with the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank, such as the Issuer, do not need to seek authorisation as an AIF or appoint an AIFM unless the Central Bank issues further guidance advising them to do so.

If the Issuer is an AIF (which at this stage is unclear), then it would be necessary to identify its AIFM, which would be the entity which manages it in general and is therefore most likely to be the Collateral Manager. In such a scenario, the Collateral Manager would be subject to the AIFMD and would need to be appropriately regulated and certain duties and responsibilities would be imposed on the Collateral Manager in respect of its management of the Portfolio. Such duties and responsibilities, were they to apply to the Collateral Manager's management of the assets of the Issuer, may result in significant additional costs and expenses incurred by the Collateral Manager which, in respect of some such fees and expenses, may be reimbursable by the Issuer to the Collateral Manager pursuant to the Collateral Management Agreement as an Administrative Expense, which may in turn negatively affect the amounts payable to Noteholders. If the Collateral Manager was to fail to, or be unable to, be appropriately regulated, 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 impair the ability of the Collateral Manager to manage the Issuer's assets may adversely affect the Collateral Manager's ability to carry out the Issuer's investment strategy and achieve its investment objective.

The Collateral Manager is not authorised under the AIFMD but is authorised under MiFID II. As the Collateral Manager is not permitted to be authorised under the AIFMD and also to conduct certain regulated activities under MiFID II, it will not be able to apply for an authorisation under the AIFMD unless it gives up its authorisation under MiFID II, in which case it may not be able to satisfy the EU Retention and Transparency Requirements (see "*Risk Retention and Due Diligence*" above). If considered to be an AIF managed by an AIFM, the Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with the EMIR clearing obligation and/or risk mitigation techniques for uncleared OTC derivatives contracts (including obligations to exchange margin) with respect to Hedge Transactions entered into after the relevant future effective dates. See also "*European Market Infrastructure Regulation (EMIR)"* above.

4.6 U.S. Dodd-Frank 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 requires many lengthy rulemaking processes that

have resulted in, and will continue to result in the adoption of a multitude of new regulations potentially applicable to entities which 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, and still 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 and regulators provide further guidance with respect thereto.

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.

No assurance can be made that the United States federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action, and the effect of such actions, if any, cannot be known or predicted.

Investors should be aware that those risks are material and that the Issuer and, consequently, an investment in the Notes 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.

4.7 Commodity Pool Regulation

In 2012, the U.S. Commodity Futures Trading Commission (the "**CFTC**") rescinded one of the primary rules which formerly provided an exemption from registration as a "Commodity Pool Operator" (a "**CPO**") and a "commodity trading advisor" (a "**CTA**") under the U.S. Commodity Exchange Act of 1936, as amended (the "**CEA**"), in respect of certain transactions. In addition, the Dodd-Frank Act expanded the definition of a "commodity pool" to include any form of enterprise operated for the purpose of trading in commodity interests, including swaps. Similarly, the term "commodity pool operator" was expanded to include any person engaged in a business that is of the nature of a commodity pool or similar enterprise and in connection therewith, solicits, accepts, or receives from others, funds, securities or property for the purpose of trading in commodity interests, including any swaps. The CFTC has taken an extremely expansive interpretation of these definitions, and has expressed the view that entering into a single swap (apparently without distinguishing between trading and holding a swap position) could make an entity a "commodity pool" subject to regulation under the CEA. It should also be noted that the definition of "swaps" under the Dodd-Frank Act is itself extremely broad, and expressly includes interest rate swaps, currency swaps and total return swaps. Although the CFTC has provided guidance that certain securitisation transactions, including CLOs, will be excluded from the definition of "commodity pool", it is unclear if such exclusion will apply to all CLOs and, in certain instances, the collateral manager of a CLO may be required to register as a CPO or a CTA with the CFTC or apply for an exemption from registration. In addition, no assurance can be made that the United States federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action, and the effect of such actions, if any, cannot be known or predicted.

If the Issuer were deemed to be a "commodity pool", then both the CPO and the CTA of the Issuer would be required to register as such with the CFTC and the National Futures Association (the "**NFA**") by the initial offering date of the Notes. Because there has previously been an exemption from such registration for most securitisation and investment fund transactions, there is little, if any, guidance as to which entity or entities would be regarded as the Issuer's CPO and CTA and thus be required to register. While there

remain certain limited exemptions from registration, because the wording of these regulations applies to traditional commodity pools and was not drafted with transactions such as the Issuer and its investment activities in mind, it is unclear whether and to what extent any of these exemptions would be available to avoid registration with respect to the Issuer. In addition, if the Issuer were deemed to be a "commodity pool", it would have to comply with a number of reporting and other requirements that are geared to traded commodity pools, which may result in significant additional costs and expenses, which may in turn affect the amounts payable to Noteholders. It is presently unclear how an investment vehicle such as the Issuer could comply with certain of these reporting requirements on an on-going basis.

Furthermore, even if an exemption were available, the limits imposed by such exemption may prevent the Issuer from entering into Hedge Transactions, having the effect of limiting the Issuer's ability to invest in Non-Euro Obligations and put it in breach of its obligation to enter into Asset Swap Transactions with respect to any Non-Euro Obligations it has purchased. The inability to enter into Interest Rate Hedge Transactions will also limit the Issuer's ability to hedge any interest rate mismatch between the Collateral Debt Obligations and the Notes, thereby in some cases limiting its ability to invest in fixed rate Collateral Debt Obligations. Any termination of a Hedge Agreement would expose the Issuer to costs and increased interest rate or currency exchange rate risk until the hedged assets can be sold (in respect of which, see "*Interest Rate Risk*" and "*Unhedged Collateral Debt Obligations and Asset Swap Transactions"* below).

In light of the foregoing, the Collateral Manager will not permit the Issuer to enter into a Hedge Agreement or any other similar agreement that could fall within the definition of "swap" as set out in the CEA until such time as it shall have received legal advice from reputable counsel to the effect that none of the Issuer, its directors or officers, the Collateral Manager or any of its Affiliates or any other person should be required to register as a CPO or CTA with the CFTC with respect to the Issuer.

Neither the CFTC nor the NFA pass upon the merits of participating in a pool or upon the adequacy or accuracy of offering memoranda. Consequently, neither the CFTC nor the NFA has reviewed or approved this Offering Circular or any related subscription agreement.

4.8 Volcker Rule

Section 619 of the Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**") prevents "banking entities" (a term which includes affiliates of a U.S. banking organisation as well as affiliates of a foreign banking organisation that has a branch or agency office in the U.S., regardless where such affiliates are located) from (i) engaging in proprietary trading 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) acquiring or retaining any "ownership interest" in, or in sponsoring, certain investment entities referred to in the Volcker Rule as "covered funds", subject to certain exemptions and exclusions. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure-related transactions with covered funds. Subject to certain exceptions and extensions, full conformance with the Volcker Rule was required from 21 July 2015. In general, there is limited interpretive guidance regarding the Volcker Rule.

A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act but is exempt from registration solely in reliance on either section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations, which definition would extend to the Issuer given its intention to rely on section 3(c)(7). A "banking entity" is defined to include a banking institution organised in the United States and any of its affiliates, regardless of where such affiliate is located or organised and also includes a banking institution organised outside the United States with a branch or agency office in the U.S. and any of its affiliates, regardless where such affiliates are located. An "ownership interest" is defined widely and may arise through a holder's exposure to the profit and losses of the covered fund, as well as through any right of the holder to participate in the selection or removal of an investment advisor, manager, or general partner, trustee, member of a board of directors or similar governing body of the covered fund. It should be noted that the Subordinated Notes will be characterised as ownership interests in the Issuer for this purpose. It is uncertain as to whether any of the Rated Notes may be similarly characterised as ownership interests. For instance, there is currently uncertainty as to whether the rights of Noteholders to participate in the removal of, and/or selection of a replacement for, the Collateral Manager in circumstances where such rights are only exercisable following a Collateral Manager Event of Default, will be construed as indicative of an ownership interest by the Noteholders of the relevant Class of Notes. If the Issuer is

deemed to be a covered fund then in the absence of regulatory relief such prohibitions may have adverse effects on the Issuer and the liquidity and value of the Notes including limiting the secondary market of the Notes and affecting the Issuer's access to liquidity and ability to hedge its exposures.

The Transaction Documents provide that the Noteholders' rights in respect of the removal of the Collateral Manager and selection of a replacement Collateral Manager shall only be exercisable upon a Collateral Manager Event of Default. Furthermore, the holders of the Class X Notes and any of the Class A Notes, Class B Notes, Class C Notes or Class D Notes held in the form of CM Exchangeable Non-Voting Notes or CM Non-Voting Notes are disenfranchised in respect of any CM Removal Resolution or CM Replacement Resolution. However, there can be no assurance that these features will be effective in resulting in investments in the Issuer by U.S. banking institutions and other banking entities subject to the Volcker Rule not being characterised as an "ownership interest" in the Issuer.

If the Issuer is deemed to be a covered fund, then 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 hold an ownership interest in the Issuer or enter, with respect to a banking entity that serves as a sponsor, investment manager, investment advisor, or similar capacity, into certain credit-related financial transactions with the Issuer. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in ownership interests of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment. If investment by banking entities in the Notes is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Notes.

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. 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. Each purchaser must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Notes. Each prospective investor in the Notes is required to independently consider the potential impact of the Volcker Rule in respect of any investment in the Notes.

In 2018, the five federal agencies responsible for implementing the Volcker Rule approved for issuance a notice of proposed rulemaking which would amend certain aspects of the implementing regulations not relevant to this transaction. As part of that notice, though, the agencies also requested public comment on the need for potential changes to virtually all aspects of the implementing regulations, including those aspects of the regulations relevant to securitisations and their treatment under the Volcker Rule's covered fund provisions. In 2019, these agencies adopted final regulations consistent with the amendments proposed in 2018. In addition, in June 2020, these agencies adopted additional amendments to the final regulations, including changes relevant to the treatment of securitisations, which amendments become effective in October 2020. In particular, these recent amendments narrow the definition of "ownership interest," ease certain aspects of the loan securitisation exclusion, and create additional exclusions from the "covered fund" definition. It is unclear at this time whether any additional amendments to the Volcker Rule regulations will be proposed or adopted, and whether any such changes will affect the ability of banking entities to acquire and retain any of the Notes or to exercise voting rights with respect to the selection or replacement of the Collateral Manager.

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

5 RELATING TO THE NOTES

5.1 Limited Liquidity and Restrictions on Transfer

Although there is currently a limited market for notes representing collateralised debt obligations similar to the 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, intends to make a secondary market in relation to the Notes, but is not obliged to do so. 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 or 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 market 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 these securities, 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.

In addition, CM Non-Voting Notes may not be exchanged at any time into CM Voting Notes or CM Exchangeable Non-Voting Notes and there are restrictions as to the circumstances in which CM Exchangeable Non-Voting 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 Exchangeable Non-Voting Notes.

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

The SEC adopted Rule 17g-10 to the Exchange Act on 27 August 2014. Rule 17g-10 applies in connection with the performance of "due diligence services" for rated asset-backed securities on or after 15 June 2015. Under Rule 17g-10, a provider of third-party due diligence services must provide to each nationally recognised statistical rating organisation that is rating the applicable transaction, a written certification in a prescribed form (which obligation may be satisfied if the Issuer posts such certification in the required form to the Rule 17g-5 website referred to above, maintained in connection with the transaction). If the Issuer or any third party that provides due diligence services to the Issuer does not comply with its obligations under Rule 17g-10, the Rating Agencies may withdraw (or fail to confirm) their ratings of the Notes. In such case, the price or transferability of the Notes (and any beneficial owner of Notes that relies on ratings of securities for regulatory or other compliance purposes) may be adversely affected. No assurance can be given as to whether any certification will be given by the Issuer or any applicable third-party service provider to the Rating Agencies in circumstances where such certification is deemed to be required under Rule 17g-10.

5.3 Optional Redemption and Market Volatility

The market value of the Collateral Debt 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 Debt 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 or Retention Holder*). 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, the Class M 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.

Furthermore, prospective investors should note that, in certain circumstances, optional redemption is subject to the prior written consent of the Collateral Manager, which consent may be withheld in the Collateral Manager's sole discretion. See Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

5.4 The Rated 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) after the Non-Call Period, on any Business Day at the direction of either (1) the Retention Holder or (2) the Subordinated Noteholders acting by way of Ordinary Resolution or (B) following the occurrence of a Collateral Tax Event, on any Payment Date falling after such occurrence at the direction of the Subordinated Noteholders acting by Ordinary 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 Business Day falling on or after expiry of the Non-Call Period at the written direction of the Subordinated Noteholders acting by Ordinary Resolution. Any such redemption shall be of an entire Class or Classes of Rated Notes subject to a number of conditions. See Condition 7(b) (*Optional Redemption*).

Following the expiry of the Non-Call Period, the Collateral Manager may also cause the Issuer to redeem the Rated Notes in whole from Sale Proceeds, if the Aggregate Collateral Balance is less than 20 per cent. of the Target Par Amount.

As described in Condition 7(b)(v) (*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, all Sale Proceeds from the sale of Collateral Debt 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 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 the 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 Proceeds 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)(v) (*Optional Redemption effected in whole or in part through Refinancing*). Any Refinancing (or issuance of additional Notes) will require the consent of the Collateral Manager.

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 Administrator, the Initial Purchaser, the Sole Arranger or the Trustee for any failure to obtain a Refinancing. If a Refinancing is obtained meeting the requirements of the Trust Deed, the Issuer may amend the Trust Deed and the Trustee shall concur with such amendments to the Trust Deed to the extent that the Issuer (or the Collateral Manager acting on behalf of the Issuer) certifies to the Trustee that such amendments are necessary to reflect the terms of the Refinancing and no further consent for such amendments shall be required from the holders of the Subordinated Notes. 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 an Extraordinary Resolution, following the occurrence of a Note Tax Event. The Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Business Day 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.

The Collateral Manager may also cause the Issuer to redeem the Rated Notes in whole from Sale Proceeds on any Business Day falling on or after the expiry of the Non-Call Period, if the Aggregate Collateral Balance is less than 20 per cent. of the Target Par Amount.

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 Debt Obligations sold.

Where the Rated Notes are redeemable at the discretion of a transaction party or a particular Class of Noteholders (or in certain circumstances, with the consent of the Collateral Manager), there is no obligation to consider the interests of any other party or Class of Noteholders when exercising such discretion. Furthermore, where one or more Classes (or tranches) of Rated Notes are redeemed through a Refinancing, Noteholders should be aware that any such redemption would occur outside of the Note Payment Sequence and the Priorities of Payments. In addition Noteholders of a Class (or tranche) of Rated Notes that are redeemed through a Refinancing should be aware that the Applicable Margin of any new notes will be equal to or lower than the Applicable Margin of such Rated Notes immediately prior to such Refinancing.

5.5 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 notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Debt Obligations that are deemed appropriate by the Collateral Manager in its sole discretion and which would satisfy 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 Collateral Debt 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 holders of the Notes being repaid, at least in part, prior to the Maturity Date and could result in an elimination, deferral or reduction of amounts available to make payments with respect to the Subordinated Notes.

5.6 Mandatory Redemption of the Class X Notes, Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class M Notes

Certain mandatory redemption arrangements 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 the returns to the Class M Notes and the Subordinated Noteholders, as provided in more detail below. See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

Mandatory Redemption following breach of the Coverage Tests

If (i) the Class A/B Par Value Test is not satisfied on any Determination Date on or after the Effective Date and/or (ii) the Class A/B Interest Coverage Test is not satisfied on any Determination Date on or after the Determination Date immediately preceding the second Payment Date, then on the Payment Date following such Determination Date, Interest Proceeds and thereafter Principal Proceeds will be used, subject to the Priorities of Payments, to the extent necessary and available, to redeem the Class X Notes and the Class A Notes on *a pari passu* basis and, following redemption in full thereof, the Class B Notes

on *a pari passu* basis until the Class A/B Coverage Tests are satisfied if recalculated following such redemption.

If (i) the Class C Par Value Test is not satisfied on any Determination Date on or after the Effective Date and/or (ii) the Class C Interest Coverage Test is not satisfied on any Determination Date on or after the Determination Date immediately preceding the second Payment Date, then on the Payment Date following such Determination Date, Interest Proceeds and thereafter Principal Proceeds will be used, subject to the Priorities of Payments, to the extent necessary and available, to redeem the Class X Notes and the Class A Notes on a *pari passu* basis and, following redemption in full thereof, the Class B Notes on a *pari passu* basis and, following redemption in full thereof, the Class C Notes until the Class C Coverage Tests are satisfied if recalculated following such redemption.

If (i) the Class D Par Value Test is not satisfied on any Determination Date on or after the Effective Date and/or (ii) the Class D Interest Coverage Test is not satisfied on any Determination Date on or after the Determination Date immediately preceding the second Payment Date, then on the Payment Date following such Determination Date, Interest Proceeds and thereafter Principal Proceeds will be used, subject to the Priorities of Payments, to the extent necessary and available, to redeem the Class X Notes and the Class A Notes on a *pari passu* basis and, following redemption in full thereof, the Class B Notes on a *pari passu* basis and, following redemption in full thereof, the Class C Notes and, following redemption in full thereof, the Class D Notes until the Class D Coverage Tests are satisfied if recalculated following such redemption.

If the Class E Par Value Test is not satisfied on any Determination Date on or after the end of the Reinvestment Period, then on the Payment Date following such Determination Date, Interest Proceeds and thereafter Principal Proceeds will be used, subject to the Priorities of Payments, to the extent necessary and available, to redeem the Class X Notes and the Class A Notes on a *pari passu* basis and, following redemption in full thereof, the Class B Notes on a *pari passu* basis and, following redemption in full thereof, the Class C Notes and, following redemption in full thereof, the Class D Notes and, following redemption in full thereof, the Class E Notes until the Class E Par Value Test is satisfied if recalculated following such redemption.

Mandatory Redemption of Class M Notes

The Class M Notes shall be subject to mandatory redemption in part on each Payment Date commencing on the first Payment Date, in each case in an amount equal to the Senior Class M Interest Amount and Subordinated Class M Interest Amount available on such Payment Date subject to and in accordance with the Priorities of Payment on an available funds basis until the Principal Amount Outstanding thereof has been reduced to an amount equal to €1.00. See Condition 7(l) (*Mandatory Redemption of Class M Notes*).

5.7 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 a Note Event of Default or (b) 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 Debt Obligations in accordance with the Collateral Management 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.

5.8 The Collateral Manager may reinvest after the end of the Reinvestment Period

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

5.9 Certain Actions May Prevent the Failure of Coverage Tests and a Note Event of Default

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

(a) the Issuer may issue additional Notes (other than the Class M Notes and the Class X Notes) and apply the net proceeds to acquire Collateral Debt Obligations or (in the case of a further issuance of Subordinated Notes) apply such net proceeds as Interest Proceeds or to another specified permitted use (see Condition 17 (*Additional Issuances*));

(b) the Collateral Manager may, pursuant to the Priorities of Payments, designate all or a portion of the Senior Collateral Management Fees and/or Subordinated Collateral Management Fees that would otherwise have been payable to it to be applied to a specified permitted use (see the Priorities of Payment); and/or

(c) the Collateral Manager may accept a Contribution from a Subordinated Noteholder, either by way of a cash contribution by such Noteholder or a designated portion of Interest Proceeds or Principal Proceeds that would otherwise be distributed on the Subordinated Notes of a Subordinated Noteholder, in each case to be applied to a specified permitted use (see Condition 2(n) (*Contributions*)).

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

5.10 Additional Issuances of Notes

At any time, subject to certain conditions, the Issuer may issue additional Notes, either proportionately across all Classes (other than the Class M Notes and the Class X Notes) or just of Subordinated Notes. If the conditions for such additional issuance pursuant to Condition 17 (*Additional Issuances*) are met, such additional Notes may be issued without the consent of the Noteholders (save for the Subordinated Noteholders acting by way of Ordinary Resolution and the Retention Holder and, in respect of additional issuances of Rated Notes, the approval of the Controlling Class acting by Ordinary Resolution). There can be no assurance as to whether such additional issuance of Notes will affect the secondary market price or liquidity of the Notes.

In respect of an issuance of additional Notes, the holders of the relevant Class of Notes in respect of which further Notes are issued shall be 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 of such additional Notes. However, neither this requirement nor the requirement for the consent of Subordinated Noteholders by Ordinary Resolution will apply to an additional issuance of Subordinated Notes if such issuance is required in order to prevent or cure a Retention Deficiency for any reason. Accordingly, the proportion of Subordinated Notes held by a Subordinated Noteholder may be diluted following an additional issuance of Subordinated Notes. See Condition 17 (*Additional Issuances*).

5.11 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 and Non-Petition*). None of the Collateral Manager, any Collateral Manager Related Person, the Noteholders of any Class, the Initial Purchaser, the Sole Arranger, the Corporate Services Provider, the Retention Holder, the Trustee, the Collateral Administrator, 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 Debt 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 Debt 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 (and, in particular, no assets of the Collateral Manager, the Noteholders, the Initial Purchaser, the Sole Arranger, the Corporate Services Provider, the Retention Holder, the Trustee, the Collateral Administrator, 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 (or any part thereof) 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 among the Noteholders) by (a) *firstly*, the Subordinated Noteholders; (b) *secondly*, the Class M Noteholders in respect of the Subordinated Class M Interest Amounts, (c) *thirdly*, the Class E Noteholders; (d) *fourthly*, the Class D Noteholders; (e) *fifthly*, the Class C Noteholders; (f) *sixthly* the Class B Noteholders (on a *pari passu* basis); (g) *seventhly*, the Class X Noteholders and the Class A Noteholder (on a *pari passu* basis); and (h) *lastly*, the Class M Noteholders in respect of the Senior Class M Interest Amounts, 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, 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, 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.

In addition, none of the Noteholders nor any of the other Secured Parties shall have any recourse against any shareholder, officer, agent, employee or director of the Issuer in respect of any obligations, covenants or agreement entered into or made by the Issuer pursuant to the terms of the 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.

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

Each Noteholder will agree, and each beneficial owner of Notes will be deemed to agree, pursuant to the Trust Deed, that it will be subject to non-petition covenants. If such provision failed to be enforceable under applicable bankruptcy laws, and a winding up (or similar) position was presented in respect of the Issuer, then the presentation of such a petition could (subject to certain Conditions) result in one or more payments on the Notes made during the period prior to such presentation being deemed to be a preferential transfer subject to avoidance by the bankruptcy trustee or similar official exercising authority with respect to the Issuer's bankruptcy estate. It could also result in the bankruptcy court, trustee or receiver liquidating the assets of the Issuer without regard to any votes or directions required for such liquidation pursuant to the Trust Deed and could result in any payments under the Notes made during the period prior to such presentation being deemed to be a fraudulent or improper disposition of the Issuer's assets.

5.13 Subordination of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class M Notes and the Subordinated Notes

Except as described below, the Class A Notes and the Class X Notes are fully subordinated to the Class M Notes in respect of the Senior Class M Interest Amounts, the Class B Notes are fully subordinated to the Class M Notes in respect of the Senior Class M Interest Amounts, the Class A Notes and the Class X Notes; the Class C Notes are fully subordinated to the Class M Notes in respect of the Senior Class M Interest Amounts and the Class A Notes, the Class X Notes, and the Class B Notes; the Class D Notes are fully subordinated to the Class M Notes in respect of the Senior Class M Interest Amounts, the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes; the Class E Notes are fully subordinated to the Class M Notes in respect of the Senior Class M Interest Amounts, the Class X Notes,

the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes; the Class M Notes in respect of the Subordinated Class M Interest Amounts are fully subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes are fully subordinated to the Rated Notes and the Class M Notes.

The payment of principal and interest on any other Classes of Notes may not be made until all payments of principal and interest due and payable on any Classes of Notes ranking in priority thereto pursuant to the Priorities of Payments have been made in full (other than the Class M Notes, which shall be redeemed on each Payment Date in an amount equal to the then current Senior Class M Interest Amount and Subordinated Class M Interest Amount such that the Principal Amount Outstanding thereof shall remain as an amount being equal to €1.00 with no further payments of principal being made in respect thereof on any Payment Date thereafter other than the Maturity Date). Payments on the Subordinated Notes and the Class M 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 (other than in respect of Senior Class M Interest Amounts) until interest on the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes 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 Collateral Enhancement Account to be applied 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 satisfied on any Determination Date on and after the Effective Date and during the Reinvestment Period (*provided* that to do so would not cause a Retention Deficiency).

Non-payment of any Interest Amount due and payable in respect of (i) the Class X Notes, the Class A Notes or the Class B Notes or (ii) following the occurrence of a Frequency Switch Event, the Controlling Class, in each case on any Payment Date will constitute a Note Event of Default (where such non-payment continues for a period of at least five Business Days in the case of an administrative error or omission). In such circumstances, the Controlling Class acting by Ordinary Resolution, may request the Trustee to accelerate the Notes pursuant to Condition 10 (*Events of Default*). However, prior to the occurrence of a Frequency Switch Event, non-payment of any Interest Amount due and payable in respect of the Class C Notes, Class D Notes, Class E Notes or Subordinated Notes on any Payment Date will not constitute a Note Event of Default, even if such Class of Notes is the Controlling Class.

Notwithstanding the foregoing, pursuant to paragraphs (E) and (U) of the Interest Proceeds Priority of Payments, Interest Proceeds will be applied in redemption of the Class M Notes in circumstances where one or more Classes of Rated Notes remain Outstanding in accordance with Condition 7(l) (*Mandatory Redemption of Class M Notes*).

In the event of any redemption in full or acceleration of the Class X Notes and the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class M 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 X Noteholders, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class M 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 M Noteholders in respect of the Subordinated Class M Interest Amounts, then by the Class E Noteholders, then by the Class D Noteholders, then by the Class C Noteholders, then by the Class B Noteholders (on a *pari passu* basis), then by the Class A Noteholders and by the Class X Noteholders (on a *pari passu* basis) and finally, by the Class M Noteholders in respect of the Senior Class M Interest Amounts. Remedies pursued on behalf of the Class M Noteholders in respect of the Senior Class M Interest Amounts could be adverse to the interests of the Class X Noteholders, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class M Noteholders (in respect of the Subordinated Class M Interest Amounts) and the Subordinated Noteholders. Remedies pursued on behalf of the Class M Noteholders in respect of the Subordinated Class M Interest Amounts could be adverse to the interests of the Subordinated Noteholders. Remedies pursued on behalf of the Class X Noteholders and the Class A Noteholders could be adverse to the interests of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class M Noteholders (in respect of the Subordinated Class M Interest Amounts) 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, the Class M Noteholders (in respect of the Subordinated Class M Interest Amounts) 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, the Class M Noteholders (in respect of the Subordinated Class M Interest Amounts) and the Subordinated Noteholders. Remedies pursued on behalf of the Class D Noteholders could be adverse to the interests of the Class E Noteholders, the Class M Noteholders (in respect of the Subordinated Class M Interest Amounts) and the Subordinated Noteholders. Remedies pursued on behalf of the Class E Noteholders could be adverse to the interests of the Class M Noteholders (in respect of the Subordinated Class M Interest Amounts) and the Subordinated Noteholders. Remedies pursued on behalf of the Rated Notes and the Class M Noteholders could be adverse to the interests of the Subordinated Noteholders.

The Trust Deed provides that in the event of any conflict of interest (other than in respect of the Subordinated Class M Interest Amounts) among or between the Class X Noteholders, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class M 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 B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class M Noteholders and the Subordinated Noteholders; (ii) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class M Noteholders and the Subordinated Noteholders; (iii) the Class D Noteholders over the Class E Noteholders, the Class M Noteholders and the Subordinated Noteholders; (iv) the Class E Noteholders over the Class M Noteholders and the Subordinated Noteholders; and (v) the Class M 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 aggregate Principal Amount Outstanding of the 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*).

5.14 Calculation of Rate of Interest

If the relevant EURIBOR screen rate does not appear, or the relevant page is unavailable, in the manner described in Condition 6(e)(i) (*Floating Rate of Interest*) there can be no guarantee that the Issuer will be able to select four Reference Banks to provide quotations, in order to determine any Floating Rate of Interest. Certain financial institutions that have historically acted as Reference Banks have indicated that they will not currently provide quotations and there can be no assurance that they will agree to do so in the future. If a EURIBOR screen rate does not appear, or the relevant page is unavailable, and the Issuer is unable to select Reference Banks to provide quotations in the manner described in Condition 6(e)(i)(B) (*Floating Rate of Interest*), the relevant Floating Rate of Interest in respect of such Payment Date shall be determined, pursuant to Condition 6(e)(i)(C) (*Floating Rate of Interest*), as the last available offered rate for three month or six month Euro deposits as determined by the Calculation Agent. To the extent interest amounts in respect of the Floating Rate Notes are determined by reference to a previously calculated rate, Noteholders may be adversely affected. In such circumstances, neither the Calculation Agent nor the Trustee shall have any obligation to determine the Floating Rate of Interest on any other basis.

5.15 Amount and Timing of Payments on the Notes

Unless a Frequency Switch Event has occurred and the relevant Class of Notes is the Controlling Class at such time:

(a) to the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes or the Class M 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 C Notes, the Class D Notes or the Class E Notes (and not, for the avoidance of doubt, the Class M Notes) as the case may be, and earn interest at the interest rate applicable to such Notes; and

(b) any failure to pay scheduled interest on the Class C Notes, the Class D Notes, the Class E Notes, or the Class M Notes or to pay residual 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 a Note Event of Default.

Payments of interest and principal on the Subordinated Notes will only be made to the extent that there are Interest Proceeds and Principal Proceeds available for such purpose in accordance with the Priorities of 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 Debt 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 Debt Obligations will depend upon the detailed terms of the documentation relating to each of the Collateral Debt Obligations and on whether or not any Obligor thereunder defaults in its obligations.

5.16 Reports Provided by the Collateral Administrator Will Not Be Audited

The Monthly Reports, Effective Date Report and Payment Date Reports (and, to the extent agreed by the Collateral Administrator, the Investor Reports and the Loan Reports) made available to Noteholders will be compiled by the Collateral Administrator, on behalf of the Issuer, in consultation with the Collateral Manager. Information in the reports will not be audited nor will reports include a review or opinion by a public accounting firm.

5.17 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 Rated 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.

As at the date of this Offering Circular, each of the Rating Agencies is established in the European Union and is registered under the CRA. As such each Rating Agency is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation. ESMA may determine that one or both of the Rating Agencies no longer qualifies for registration under the CRA and that determination may also have an adverse effect on the market prices and liquidity of the Rated Notes.

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 an Effective Date Rating Event has occurred, the applicable Rated Notes may, at the discretion of the Collateral Manager, 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 Sole 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 qualify as a nationally recognised statistical rating organisation 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.

5.18 Average Life and Prepayment Considerations

The Maturity Date of the Notes is 15 July 2033 (subject to adjustment for non-Business Days); however, the principal of the Notes of each Class is expected to be repaid in full prior to the Maturity Date. Average

life refers to the average amount of time that will elapse from the date of delivery of a Note until each Euro of the principal of such Note will be paid to the investor. The average lives of the Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Collateral Debt 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 Debt 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 Debt Obligations. Collateral Debt Obligations may be subject to optional prepayment by the Obligor of such loans. Any disposition of a Collateral Debt Obligation may change the composition and characteristics of the Collateral Debt 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 Debt Obligations; differences in the actual allocation of Collateral Debt Obligations among asset categories from those assumed; mismatches between the time of accrual and receipt of Interest Proceeds from the Collateral Debt Obligations. None of the Issuer, the Collateral Manager, any Collateral Manager Related Person, the Retention Holder, the Trustee, the Initial Purchaser, the Sole Arranger, the Collateral Administrator or any other person 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.

5.19 Volatility of the Subordinated Notes

The Subordinated Notes represent a leveraged investment in the underlying Collateral Debt 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 Debt 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, the Class M Notes and one or more Classes of Rated Notes may be subject to a partial or a complete 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, then by Class M Notes in respect of Subordinated Class M Interest Amounts, then by the holders of the Rated Notes in reverse order of seniority and then by Class M Notes in respect of Senior Class M Interest Amounts.

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 and/or the Class M Notes or for reinvestment in Collateral Debt 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/or the Class M Notes and cause temporary or permanent suspension of distributions to the Subordinated Notes and/or one or more subordinate Classes of Rated Notes and/or the Class M 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.

5.20 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 a Note Event of Default on or about that date.

5.21 Security

Clearing Systems: Collateral Debt 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 will hold such assets which can be cleared through Euroclear in an account with Euroclear unless the Trustee otherwise consents and will hold the other securities comprising the Portfolio which cannot be so cleared (i) through its accounts with Clearstream, Luxembourg or The Depository Trust Company ("**DTC**"), as appropriate, or (ii) through its sub-custodians who will in turn hold such assets which are securities both directly and through any appropriate clearing system. Those assets held in clearing systems will not be held in special purpose accounts and will be fungible with other securities from the same issue held in the same accounts on behalf of the other customers of the Custodian or its sub custodian, as the case may be. A first fixed charge over the Portfolio will be created under English law pursuant to the Trust Deed on the Issue Date which will, in relation to the Collateral Debt 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 Debt Obligations held in the accounts of the Custodian for the benefit of the Issuer and (ii) the Issuer's ancillary contractual rights against the Custodian in accordance with the terms of the Agency 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.

In addition, custody and clearance risks may be associated with Collateral Debt 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 Debt 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 Sole Arranger, the Trustee, the Collateral Manager, 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 Debt Obligations or Eligible Investments contemplated by the Collateral Management Agreement and the payments to be made from the Accounts in accordance with the Conditions and the Trust Deed) take effect as a floating charge which, in particular, would rank after a subsequently created fixed charge. However, the Issuer has covenanted in the Trust Deed not to create any such subsequent security interests (other than those permitted under the Trust Deed) without the consent of the Trustee.

5.22 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.

Certain key risks relating to these provisions are summarised below, however all of the following discussion is subject to the provision in Condition 14(b)(x) (*Retention Holder Veto*) that no Resolution

to approve or exercise by the Issuer of its rights under Condition 14(c) (*Modification and Waiver*) to effect any modification of the Eligibility Criteria, the Portfolio Profile Tests, the Collateral Quality Tests, the Reinvestment Criteria or any material changes to them, in each case that could affect the Retention Holder's ability to comply with the EU Retention Requirements (save for those that are made to ensure compliance with the EU Retention Requirements) will be effective without the consent in writing of the Retention Holder.

Decisions may be taken by Noteholders by way of Ordinary Resolution or Extraordinary Resolution, in each case, either acting together or, to the extent specified in any applicable Transaction Document, as a Class of Noteholders acting independently. Such Resolutions can be effected either (i) at a duly convened meeting of the applicable Noteholders, (ii) by the applicable Noteholders resolving in writing or (iii) by electronic consent in accordance with the operating procedures of the Clearing Systems and the provisions of the Trust Deed. Meetings of the Noteholders may be convened by the Issuer, the Trustee or by one or more Noteholders holding not less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes of a particular Class, subject to certain conditions including minimum notice periods.

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

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 or Electronic 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 an Extraordinary Resolution or an Ordinary Resolution. In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than $66^{2}/_{3}$ per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable) and in the case of an Ordinary Resolution this is one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable). Such quorum provisions still, however, require considerably lower thresholds than would be required for a Written Resolution or Electronic 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. Any such Resolution may be adverse to any Class of Noteholders or to any group of Noteholders or individual Noteholders within any Class.

Class X Notes and the Class A Notes, Class B Notes, Class C Notes or Class D Notes that are in the form of CM Non-Voting Notes or CM Exchangeable Non-Voting Notes will have no right to vote in connection with and will not be counted for the purposes of determining a quorum or the result of voting on any CM Removal Resolution or any CM Replacement Resolution. As a result, for so long as any of the Class A Notes, Class B Notes, Class C Notes or Class D Notes (as applicable) constitute the Controlling Class, only the Class A Notes, Class B Notes, Class C Notes or Class D Notes (as applicable) that are in the form of CM Voting Notes may vote and be counted in respect of a CM Removal Resolution or a CM Replacement Resolution. Class A Notes, Class B Notes, Class C Notes or Class D Notes (as applicable) in the form of CM Voting Notes may form a small percentage of the Controlling Class and/or be held by a concentrated group of Noteholders. Investors should be aware that such CM Voting Notes will be entitled to vote to pass a CM Removal Resolution or a CM Replacement Resolution and the remaining percentage of the Controlling Class (in the form of CM Exchangeable Non-Voting Notes and/or CM Non-Voting Notes) will be bound by such Resolution. Furthermore, investors should be aware that if the entirety of the Class A Notes, Class B Notes, Class C Notes or Class D Notes (as applicable)

which represents the most senior Class outstanding is held in the form of CM Exchangeable Non-Voting Notes and/or CM Non-Voting Notes, the holders of such Class will not be entitled to vote in respect of a CM Removal Resolution or CM Replacement Resolution, such right shall pass to a more junior Class of Notes.

The Controlling Class for the purposes of a CM Removal Resolution or a CM Replacement Resolution shall be determined in accordance with the Principal Amount Outstanding of the relevant Class of Notes.

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. Investors should note that for the purposes of determining voting rights attributable to the Notes and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*), the Class B-1 Notes and the Class B-2 Notes shall together be deemed to constitute a single Class in respect of any voting rights specifically granted to them (including as the Controlling Class). As a consequence, holders of the Class B-1 Notes and Class B-2 Notes shall act not separately, but together as a single Class for voting purposes, including in relation to amendments where the interests of such Noteholders may not be aligned.

Certain entrenched rights relating to the Conditions of the Notes including the currency thereof, Payment Dates applicable thereto, the Priorities of Payments, the provisions relating to quorums and the percentages of votes required for the passing of an Extraordinary Resolution, cannot be amended or waived by Ordinary Resolution but require an Extraordinary Resolution (provided, however, that any such modification, adjustment or change that would otherwise require an Extraordinary Resolution of the Subordinated Noteholders may be passed by Ordinary Resolution of the Subordinated Noteholders if being effected contemporaneously with a Refinancing in relation to the redemption of the Rated Notes in whole (any such amendment being a Reset Amendment)). 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 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 in respect of certain other matters, subject to prior notice thereof being given to the Trustee and the Trustee shall consent to such modifications (and, in certain circumstances as specified in Condition 14(c) (*Modification and Waiver*), subject to receipt by the Trustee of a certificate of the Issuer certifying to the Trustee (upon which certification the Trustee shall be entitled to rely without further enquiry and without liability)) but without the consent of the Noteholders (save where such consent is specified in Condition 14(c) (*Modification and Waiver*)) as set out in Condition 14(c) (*Modification and Waiver*).

5.23 Concentrated Ownership of One or More Classes of Notes

If at any time one or more investors that are affiliated hold a majority of any Class of Notes, it may be more difficult for other investors to take certain actions that require consent of any such Classes of Notes without their consent. For example, optional redemption and the removal of the Collateral Manager for cause and appointment are at the direction of holders of specified percentages of Subordinated Notes.

5.24 Enforcement Rights Following a Note Event of Default

If a Note Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by way of Ordinary Resolution (subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer, the Collateral Manager and each Hedge Counterparty that all the Notes are immediately due and repayable, *provided* that following a Note Event of Default described in paragraph (vi) (*Insolvency*

Proceedings) or (vii) (*Illegality*) 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 Ordinary Resolution (subject, in each case, to the Trustee 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 C Notes, the Class D Notes and the Class E Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payments; or (B) if such threshold is not met as described in paragraph (A), (a) in the case of a Note Event of Default specified in sub-paragraphs (i) (*Non-payment of interest*), (ii) (*Non-payment of principal*) or (iv) (*Collateral Debt Obligations*) of Condition 10(a) (*Note Events of Default*), the Controlling Class acting by way of Ordinary Resolution (and no other Class of Notes) may direct the Trustee to take Enforcement Action without regard to any other Note Event of Default which has occurred prior to, contemporaneously with or subsequent to such Note Event of Default; or (b) in the case of any other Note Event of Default, each Class of Rated Notes acting independently by way of Ordinary Resolution may direct the Trustee to take Enforcement Action (subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction).

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.

5.25 Certain ERISA Considerations

Under a regulation of the U.S. Department of Labor, if certain employee benefit plans or other retirement arrangements subject to 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 the Class E Notes, the Class M Notes or the Subordinated Notes, the assets of the Issuer could be considered to be assets of such Plans and certain of the transactions contemplated under such Notes could be considered "prohibited transactions" under Section 406 of ERISA and/or Section 4975 of the Code. See the section entitled "*Certain ERISA Considerations*" below.

5.26 Forced Transfer

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule 144A Note will be deemed to represent at the time of purchase that, among 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 Holder, the Issuer shall (or, in the case of a Non-Permitted ERISA Holder may), promptly after determination that such person is a Non-Permitted Holder or a Non-Permitted ERISA Holder 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 or a Non-Permitted ERISA Holder (as applicable) demanding that such Noteholder transfer its interest to a person that is not a Non-Permitted Holder or a Non-Permitted ERISA Holder (as applicable) within 30 days (or 10 days in the case of a Non-Permitted ERISA Holder) of the date of such notice. If such Noteholder fails to effect the transfer required within such 30-day period (or 10-day period in the case of a Non-Permitted ERISA Holder), (a) upon direction from the Issuer or the Collateral Manager on its behalf, the Transfer Agent, on behalf of and at the expense of the Issuer, shall

cause such beneficial interest to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person (as defined in Regulation S) or is (A) a QIB and a QP and (B) not a Non-Permitted ERISA Holder and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

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

6 RELATING TO THE COLLATERAL

6.1 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 Reinvestment Criteria, when applicable) which each Collateral Debt Obligation is required to satisfy, as disclosed in this Offering Circular, and on the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests and the Target Par Amount that the Portfolio is required to satisfy as at the Effective Date (other than in respect of the Class E Par Value Test which shall apply on a Measurement Date falling on or after the end of the Reinvestment Period only and the Interest Coverage Tests, which are required to be satisfied as at the Determination Date immediately preceding the second Payment Date) and in each case (save as described herein) thereafter. This Offering Circular does not contain any information regarding the individual Collateral Debt 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.

None of the Issuer, the Initial Purchaser, the Collateral Manager or the Sole Arranger has made any investigation into the Obligors of the Collateral Debt 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 Sole Arranger, the Retention Holder, the Custodian, the Collateral Manager, any Collateral Manager Related Person, the Collateral Administrator, any Hedge Counterparty, or any of their Affiliates are under any obligation to maintain the value of the Collateral Debt Obligations at any particular level. None of the Issuer, the Trustee, the Collateral Manager, the Agents, any Hedge Counterparty, the Initial Purchaser, the Sole Arranger, the Retention Holder 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 Debt Obligations from time to time.

Furthermore, pursuant to the Collateral Management Agreement, the Collateral Manager is required to carry out such due diligence as it considers reasonably necessary in accordance with the standard of care specified in the Collateral Management Agreement, to ensure the Eligibility Criteria will be satisfied and that the Issuer will, upon the settlement of such purchase, become the legal and beneficial holder of such Collateral Debt Obligations in accordance with the terms of the relevant Underlying Instruments and all applicable laws. Noteholders are reliant on the Collateral Manager conducting such due diligence in a manner which ensures that the Collateral Debt Obligations are properly and effectively transferred and satisfy each of the Eligibility Criteria.

6.2 Nature of Collateral; Defaults

The Issuer will invest in a portfolio of Collateral Debt Obligations consisting at the time of acquisition of predominantly Secured Senior Loans, Secured Senior Bonds, Corporate Rescue Loans, Unsecured Senior Obligations, Second Lien Loans, High Yield Bonds and Mezzanine Obligations, 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 or borrower, as the case may be, to make payments of principal or interest. Such investments may be speculative. See "*The Portfolio*" section of this Offering Circular.

Due to the fact that the Subordinated Notes represent a leveraged investment in the underlying Collateral Debt 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 Debt 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 Debt Obligations. See the "*Ratings of the Notes*" section of this Offering Circular. 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 Debt Obligation securing the Notes and the Issuer sells or otherwise disposes of such Collateral Debt 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 Debt 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 Debt 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 Debt Obligations whose prices have risen or to acquire Collateral Debt 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 Debt Obligations would also adversely affect the proceeds of sale that could be obtained upon the sale of the Collateral Debt 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 Debt 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.

6.3 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 Debt Obligations which will secure the Notes will be predominantly comprised of Secured Senior Loans, Secured Senior Bonds, Corporate Rescue Loans, Unsecured Senior Obligations, Second Lien Loans, High Yield Bonds and Mezzanine Obligations, lent to or issued by a variety of Obligors with a principal place of business in a Non-Emerging Market Country 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 Debt 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 Debt Obligations will depend upon the detailed terms of the documentation relating to each of the Collateral Debt 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 Debt 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 Debt 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 Debt Obligations is likely to be increased to the extent that the Portfolio of Collateral Debt 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 Debt Obligations which are "**Defaulted Obligations**".

To the extent that a default occurs with respect to any Collateral Debt Obligation and the Issuer or Trustee sells or otherwise disposes of such Collateral Debt 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 Debt Obligations, the potential volatility and illiquidity of the sub-investment grade high yield bond, secured senior bond and leveraged loan markets means that the market value of such Collateral Debt Obligations at any time will vary, and may vary substantially, from the price at which such Collateral Debt Obligations were initially purchased and from the principal amount of such Collateral Debt Obligations. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of such Collateral Debt 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.

6.4 Acquisition of Collateral Debt Obligations Prior to the Issue Date

On behalf of the Issuer, the Collateral Manager has acquired, or entered into binding commitments to acquire, certain Collateral Debt Obligations prior to the Issue Date pursuant to a financing arrangement (the "**Warehouse Arrangements**"). The Warehouse Arrangements were provided primarily by one or more Affiliates of the Initial Purchaser, as senior lender, and the Collateral Manager as subordinated lender, some of whom could choose to invest in the Notes (together, the "**Warehouse Providers**"). The Collateral Manager was also the collateral manager under the Warehouse Arrangements. Some of the Collateral Debt Obligations may have been acquired by the Issuer from either the Warehouse Providers or a Collateral Manager Related Party. The Warehouse Arrangements will be terminated in all respects on the Issue Date, and all amounts owing to the Warehouse Providers in connection with such arrangements less the Reclassification Price of any Issue Date Ineligible Portfolio Obligations reclassified on the Issue Date pursuant to the Collateral Management Agreement must be repaid by the Issue Date from the proceeds of the issuance of the Notes.

The Issuer (or the Collateral Manager on behalf of the Issuer) has purchased or entered into certain agreements to purchase a substantial portion of the Portfolio on or prior to the Issue Date and will use the proceeds of the issuance of the Notes to settle any outstanding trades on the Issue Date and to repay the Warehouse Providers in respect of the Warehouse Arrangements which were used to finance the purchase of such Collateral Debt Obligations prior to the Issue Date.

The prices paid for such Collateral Debt Obligations will be the market value thereof on the date the Issuer entered into the commitment to purchase, which may be greater or less than the market value thereof on the Issue Date. Events occurring between the date of the Issuer first acquiring a Collateral Debt Obligation and the Issue Date, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the Obligors of Collateral Debt Obligations, the timing of purchases prior to the Issue Date and a number of other factors beyond the Issuer's control, including the condition of certain financial markets, general economic conditions, international political events and other macroeconomic events, could adversely affect the market value of the Collateral Debt Obligations acquired prior to the Issue Date and will be risks borne by the Issuer (and, indirectly, the Noteholders). See "*Events in the CLO and Leveraged Finance Markets*".

In addition, any interest or other amounts paid or accrued on such Collateral Debt Obligations during the period prior to the Issue Date will be paid to the Warehouse Providers on the Issue Date. Investors in the Notes will be assuming the risk of market value and credit quality changes in the Collateral Debt Obligations from the date such Collateral Debt Obligations are acquired during the period prior to the

Issue Date but will not receive the benefit of interest earned on the Collateral Debt Obligations during such period provided that any risk in relation to any Collateral Debt Obligations which are ineligible collateral as at the Issue Date or which do not satisfy the Eligibility Criteria as at the Issue Date shall be borne by the Warehouse Providers.

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 Debt 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.

The requirement that the Eligibility Criteria be satisfied applies only at the time that any commitment to purchase a Collateral Debt Obligation is entered into and 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 (other than in the case of Issue Date Collateral Debt Obligations).

6.5 Acquisitions of Collateral Debt Obligations and purchase price for such acquisitions

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

The Retention Holder entered into a conditional sale agreement with the Issuer under which the Issuer had the right, during the relevant Seasoning Period, to require the Retention Holder to purchase from it any Originated Asset which failed to meet the Eligibility Criteria (as such term is defined under the Warehouse Arrangements) at a purchase price equal to the market value of the Originated Asset at the commencement of the relevant Seasoning Period. See "*The Retention Holder and the EU Retention and Transparency Requirements*".

6.6 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 Debt Obligations in order to satisfy each of the Coverage Tests (other than in respect of the Class E Par Value Test which shall apply on a Measurement Date falling on or after the end of the Reinvestment Period only and the Interest Coverage Tests which are required to be satisfied as at the Determination Date immediately preceding the second Payment Date), Collateral Quality Tests, Portfolio Profile Tests and the 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. See "*Events in the CLO and Leveraged Finance Markets*". In addition, the ability of the Issuer to enter into Asset Swap Transactions upon the acquisition of Non-Euro Obligations will depend upon a number of factors outside the control of the Collateral Manager, including its ability to identify a suitable Asset Swap Counterparty with whom the Issuer may enter into Asset Swap Transactions. See also "*Risk Factors – Other Regulatory Considerations – EMIR*" above. To the extent it is not possible to purchase such additional Collateral Debt Obligations, the level of income receivable by the Issuer on the Collateral, and therefore its ability to meet its interest payment obligations under the Notes, may be adversely affected. Such inability to invest may also shorten the weighted average lives of the Notes as it may lead to early redemption of the Notes. To the extent such additional Collateral Debt 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 Debt Obligations and/or enter into required Asset Swap Transactions during such period could result in the non-confirmation or downgrade or withdrawal by any Rating Agency of its Initial Rating of any Class

of Notes. Such non-confirmation, downgrade or withdrawal may result in the redemption of the Notes, shortening their weighted average life and reducing the leverage ratio of the Subordinated Notes to the other Classes of Notes which could adversely affect the level of returns to the holders of the Subordinated Notes. Any such redemption of the Notes may also adversely affect the risk profile of Classes of Notes in addition to the Subordinated Notes to the extent that the amount of excess spread capable of being generated in the transaction reduces as the result of redemption of the most senior ranking Classes of Notes in accordance with the Note Payment Sequence which bear a lower rate of interest than the remaining Classes of Rated Notes.

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

6.7 Underlying Portfolio

Characteristics of Senior Loans, Secured Senior Bonds and Mezzanine Obligations

The Portfolio Profile Tests provide that as of the Effective Date (i) at least 92.5 per cent. of the Aggregate Collateral Balance must consist of Secured Senior Loans and Secured Senior Bonds in aggregate (which shall comprise for this purpose the aggregate of the Aggregate Principal Balance of the Secured Senior Loans and Secured Senior Bonds and the balances standing to the credit of the Principal Account and the Unused Proceeds Account and any Eligible Investments which represent Principal Proceeds, in each case as at the relevant Measurement Date and shall exclude any First Lien Last Out Loans) and (ii) at least 70 per cent. of the Aggregate Collateral Balance must consist of Secured Senior Loans (which shall comprise for this purpose the aggregate of the Aggregate Principal Balance of the Secured Senior Loans and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account and any Eligible Investments which represent Principal Proceeds, in each case as at the relevant Measurement Date and shall exclude any First Lien Last Out Loans). Senior Loans, Secured Senior Bonds and Mezzanine Obligations are of a type generally incurred by the Obligors thereunder in connection with highly leveraged transactions or capital structures in respect of an Obligor, 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 Loans, Secured Senior Bonds and Unsecured Senior Obligations 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 Loans or to any other senior debt of the Obligor. Secured Senior Loans and Secured Senior Bonds are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred stock of the Obligor and its subsidiaries and any applicable associated liens relating thereto. In continental Europe, security is often limited to shares in certain group companies, accounts receivable, bank account balances and intellectual property rights. Mezzanine Obligations may have the benefit of a second priority charge over such assets. Unsecured Senior Obligations do not have the benefit of such security. Secured Senior Loans 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 Bonds typically bear interest at a fixed rate. Risks associated with fixed rate obligations are discussed at "*Interest Rate Risk*" below. Additionally, Secured Senior Bonds typically contain bondholder collective action clauses permitting specified majorities of bondholders to approve matters which, in a typical Senior Loan, would require unanimous lender consent. The Obligor under a Secured Senior Bond may therefore be able to amend the terms of the bond, including terms as to the amount and timing of payments, with the consent of a specified majority of bondholders, either voting by written resolution or as a majority of those attending and voting at a meeting, and the Issuer is unlikely to have a blocking minority position in respect of any such resolution. The Issuer may further be restricted by the Collateral Management 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 Bond may be varied without the consent of the Issuer.

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

The majority of Senior Loans 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 12 month interest and rate reset periods. The purchaser of an interest in a Senior Loan or Mezzanine Obligation may receive certain syndication or participation fees in connection with its purchase. Other fees payable in respect of a Senior Loan or Mezzanine Obligation, which are separate from interest payments on such loan, may include facility, commitment, amendment and prepayment fees.

Senior Loans, Secured Senior Bonds 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 or bonds. 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 Loan, Secured Senior Bond or Mezzanine Obligation which is not waived by the lending syndicate or bondholders 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 Loan, Secured Senior Bond or Mezzanine Obligation may share many similar features with other loans or bonds and obligations of its type, the actual term of any Senior Loan, Secured Senior Bond or Mezzanine Obligation will have been a matter of negotiation and will be unique. Any such particular loan or bond 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 Loans, Secured Senior Bonds and Mezzanine Obligations

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

Secured Senior Bonds 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 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 Senior Loan.

Mezzanine Obligations are likely to be subject to intercreditor arrangements that may include restrictions on the ability of holders of the relevant Mezzanine Obligations to take independent enforcement action.

Increased Risks for Mezzanine Obligations

The fact that Mezzanine Obligations are generally subordinated to any Senior Loan 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 Loans. 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 Bonds may include obligor call or prepayment features, with or without a premium or makewhole. Prepayments on loans and bonds may be caused by a variety of factors, which are difficult to predict. Accordingly, there exists a risk that loans or bonds purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, Principal Proceeds received upon such a prepayment are subject to reinvestment risk. Any inability of the Issuer to reinvest payments or other proceeds in Collateral Debt 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 Debt 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 Loans, Secured Senior Bonds, 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 Loans, Secured Senior Bonds and Mezzanine Obligations purchased by the Issuer. As referred to above, although any particular Senior Loan, Secured Senior Bond, 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 Loan, Secured Senior Bond, 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 Loans, Secured Senior Bonds, 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 Loans 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 Loans and/or Mezzanine Obligations therefore may not adequately reflect the risk of future defaults and the ultimate recovery rates.

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Debt 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, an extension of the maturity 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 while 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 Loans, Secured Senior Bonds 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 "*Lender Liability Considerations; Equitable Subordination*" below.

Investing in Cov-Lite Loans involves certain risks

The Portfolio Profile Tests provide that not more than 25 per cent. of the Aggregate Collateral Balance can consist of Cov-Lite Loans. Cov-Lite Loans typically do not have Maintenance Covenants. Ownership of Cov-Lite Loans may expose the Issuer to different or greater 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. This may make it more likely that any default arising under a Cov-Lite Loan will arise at a time when the relevant Obligor is in a greater degree of financial stress. Such a delay may make a successful restructuring more difficult to achieve and/or result in a greater reduction in the value of the Cov-Lite Loans as a consequence of any restructuring effected in such circumstances.

Characteristics of High Yield Bonds

The Portfolio Profile Tests provide that not more than 30 per cent. of the Aggregate Collateral Balance can consist of Secured Senior Bonds and High Yield Bonds in aggregate. 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 an 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 "*Lender Liability Considerations; Equitable Subordination*" 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 Debt 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 Debt Obligation if a default or foreclosure on that Collateral Debt Obligation occurs.

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

Characteristics of Unsecured Senior Obligations

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

6.8 Limited Control of Administration and Amendment of Collateral Debt Obligations

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

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

6.9 Participations, Novations and Assignments

The Collateral Manager, acting on behalf of the Issuer may acquire interests in Collateral Debt 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 or participation 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 among 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 Debt Obligations that may comprise Participations as a proportion of the Aggregate Collateral Balance.

6.10 Corporate Rescue Loans

The Portfolio Profile Tests provide that not more than 5 per cent. of the Aggregate Collateral Balance may be comprised of Corporate Rescue Loans and not more than 2 per cent. of the Aggregate Collateral Balance shall consist of Corporate Rescue Loans issued by a single Obligor. Corporate Rescue Loans are made to companies that have experienced, or are experiencing, significant financial or business difficulties such that they have become subject to bankruptcy or other reorganisation and liquidation proceedings and thus involves additional risks. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Issuer will correctly evaluate the value of the assets securing the Corporate Rescue Loan or the prospects for a successful reorganisation or similar action and accordingly the Issuer could suffer significant losses on its investments in such Corporate Rescue Loan. In any reorganisation or liquidation case relating to a company in which the Issuer invests, the Issuer may lose its entire investment, may be required to accept cash or securities with a value less than the Issuer's original investment and/or may be required to accept payment over an extended period of time.

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

Although a Corporate Rescue Loan is secured, where the Obligor is subject to U.S. bankruptcy law, it has a priority permitted by Section 364(c) or section 364(d) under the United States Bankruptcy Code and at the time that it is acquired by the Issuer is required to be current with respect to scheduled payments of interest and principal (if any).

6.11 Bridge Loans

The Portfolio Profile Tests provide that not more than 2.5 per cent. of the Aggregate Collateral Balance 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.

6.12 Collateral Enhancement Obligations

Collateral Enhancement Obligations will consist of any Issue Date Ineligible Portfolio Obligations or Post-Issue Date Ineligible Portfolio Obligations (each as defined below) determined by the Collateral Manager in its sole discretion in accordance with and subject to the terms of the Collateral Management Agreement and any warrant, equity security or debt obligation, in each case excluding any Exchanged Security, 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 Debt Obligation; or any warrant, equity security or debt obligation purchased independently or as part of a unit with a Collateral Debt Obligation (but in all cases, excluding, for the avoidance of doubt, the Collateral Debt Obligation (if any)), in each case, the acquisition or reclassification (as applicable) 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.

Pursuant to the Collateral Management Agreement, the Collateral Manager may (acting on behalf of the Issuer), in its sole discretion reclassify as a Collateral Enhancement Obligation (i) any Non-Eligible Issue Date Collateral Debt Obligations (as reclassified by the Collateral Manager hereunder, "**Issue Date Ineligible Portfolio Obligations**") provided the aggregate Reclassification Price (as defined below) in respect thereof is no greater than €10,000,000) or (ii) any assets held by the Issuer that do not satisfy the Eligibility Criteria after the Issue Date (whether on the date they were required to do so or thereafter) or that do not satisfy the Restructured Obligation Criteria at the Restructuring Date (if applicable) (as reclassified by the Collateral Manager hereunder, "**Post-Issue Date Ineligible Portfolio Obligations**" and together with any Issue Date Ineligible Portfolio Obligations, "**Ineligible Portfolio Obligations**"), provided that any such assets may only be reclassified if an amount representing the market value thereof (or, in the sole discretion of the Collateral Manager, any greater amount) as at the relevant date of such reclassification (such date, the "**Reclassification Date**" and such amount the "**Reclassification Price**") is, on the Reclassification Date, either:

(a) in respect of any Issue Date Ineligible Portfolio Obligations, retained as Note Proceeds in the Unused Proceeds Account pursuant to netting arrangements to be entered into (if applicable) in respect of a Collateral Manager Advance to be made on the Issue Date by the Collateral Manager to be applied towards such reclassification and the amount required to be applied towards the repayment of any subordinated funding amounts borrowed by the Issuer under the Warehouse Arrangements; or

(b) in respect of any Post-Issue Date Ineligible Portfolio Obligations, credited to the Principal Account out of the Balance standing to the credit of the Collateral Enhancement Account at the relevant time, or from the proceeds of a Collateral Manager Advance or as a permitted use of certain other proceeds specified to be used to acquire Collateral Enhancement Obligations which shall in each case be deemed to be a purchase of a Collateral Enhancement Obligation in accordance with the terms thereunder.

Any transfer of a Reclassification Price and the related reclassification of a Collateral Debt Obligation as a Collateral Enhancement Obligation shall be deemed to be the acquisition of a Collateral Enhancement Obligation and the sale of the relevant Collateral Debt Obligation, in each case in accordance with and subject to the terms of the Collateral Management Agreement. Any such reclassification so deemed to be a sale of the relevant Collateral Debt Obligation shall therefore only be permissible if such reclassification satisfies the relevant criteria and terms in respect of the sale of any Collateral Debt Obligation in accordance with and subject to the terms of the Collateral Management Agreement.

All funds required in respect of the purchase price of any Collateral Enhancement Obligations (other than an Issue Date Ineligible Portfolio Obligation) and all funds required in respect of the exercise price of any rights or options thereunder, may be paid out of the Balance standing to the credit of the Collateral Enhancement Account at the relevant time, or out of a Collateral Manager Advance or as a permitted use of certain other proceeds. Such Balance shall include 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 Collateral Enhancement Account pursuant to the Priorities of Payments rather than being paid to the Subordinated Noteholders.

To the extent that there are insufficient sums standing to the credit of the Collateral Enhancement Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised, the Collateral Manager may, at its discretion and subject to satisfaction of the requirements set out in Condition 3(m) (*Collateral Manager Advances*), pay amounts required in order to fund such purchase or exercise (each such amount, an "**Collateral Manager Advance**") to such account pursuant to the terms of the Collateral Management Agreement. All such Collateral Manager Advances shall be repaid (together with interest thereon) out of Interest Proceeds and Principal Proceeds on each Payment Date pursuant to the Priorities of Payments.

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 there can be no assurance that the Balance standing to the credit of the Collateral Enhancement Account will be sufficient to fund the exercise of any right or option under any Collateral Enhancement Obligation at any time. The ability of the Collateral Manager (acting on behalf of the Issuer) to exercise any rights or options under any Collateral Enhancement Obligation will be partially dependent upon there being sufficient amounts standing to the credit of the Collateral Enhancement Account to pay the costs of any such exercise. If sufficient amounts are not so available, the Collateral Manager may, at is discretion, fund the payment of any shortfall by way of a Collateral Manager Advance. However, the Collateral Manager is under no obligation to make any Collateral Manager Advance. 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).

Pursuant to the Collateral Management Agreement, the Collateral Manager, is required to sell any Issue Date Collateral Debt Obligations which do not comply with the Eligibility Criteria on the Issue Date, however, in respect of any Issue Date Ineligible Portfolio Obligation, the Collateral Manager will not be so required and upon the reclassification of any Collateral Debt Obligation as an Issue Date Ineligible Portfolio Obligation, such asset shall no longer constitute a Collateral Debt Obligation but shall instead constitute a Collateral Enhancement Obligation. Furthermore, in the event that an asset did not satisfy the Eligibility Criteria on the date on which the Collateral Manager on behalf of the Issuer entered into a binding commitment to acquire it, the Collateral Manager will be required to sell such asset, however, in respect of any Post-Issue Date Ineligible Portfolio Obligation, such asset shall no longer be required to be sold but shall instead constitute a Collateral Enhancement Obligation.

The prices paid for Ineligible Portfolio Obligations purchased pursuant to the Collateral Management Agreement will be the market value thereof (or, in the sole discretion of the Collateral Manager, any greater amount) on the Reclassification Date. The Reclassification Price transferred to the Principal Account (or retained in the Unused Proceeds Account, as applicable) for such Ineligible Portfolio Obligations in connection with any reclassification thereof as a Collateral Enhancement Obligation is likely to be less than the purchase price originally paid by the Issuer. As well as the relevant Eligibility Criteria in respect of the Ineligible Portfolio Obligation not being satisfied, events occurring between the time at which the Issuer enters into a binding commitment to acquire such obligation and the Reclassification Date, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the Obligors of Ineligible Portfolio Obligations, the timing of purchases prior to the Reclassification Date and a number of other factors beyond the Issuer's control, including the condition of certain financial markets, general economic conditions and international political events, could adversely affect the market value of the assets acquired prior to the Reclassification Date and could adversely affect the market value of Ineligible Portfolio Obligations after the Reclassification Date.

As a result, Sale Proceeds following the subsequent sale of any such asset reclassified as a Collateral Enhancement Obligation to be applied in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments may be less than the Reclassification Proceeds transferred to the Principal Account (or retained in the Unused Proceeds Account, as applicable) for such Ineligible Portfolio Obligation due to market value decreases after reclassification. Conversely, in the event that the market value of the relevant Ineligible Portfolio Obligation after the Reclassification Date is greater than the market value thereof at the Reclassification Date, any proceeds in respect thereof will constitute Collateral Enhancement Obligation Proceeds (rather than Principal Proceeds) and will be available for distribution in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments and not the Interest Proceeds Priority of Payments or the Principal Proceeds Priority of Payments; including to the Subordinated Noteholders (rather than for reinvestment in Collateral Debt Obligations or repayment of the Rated Notes). Accordingly, following reclassification, Subordinated Noteholders

alone (including the Collateral Manager), will obtain all of the gains and suffer all of the losses on assets reclassified from the Reclassification Date.

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.

6.13 Voting Restrictions on Syndicated Loans for Minority Holders

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

6.14 Long-dated Restructured Obligation

A Restructured Obligation may, as a result of its restructuring, have a Collateral Debt Obligation Stated Maturity falling on or after the Maturity Date. If the Notes are not redeemed in full prior to the Maturity Date, the Issuer (or the Collateral Manager acting on its behalf) will be required to sell any such Collateral Debt Obligations prior to the Maturity Date of the Notes at the then current market value. In such circumstances the Issuer (or the Collateral Manager acting on its behalf) will not be able to delay the sale of such assets to obtain the best price. This could lead to fewer proceeds available to redeem the Notes on their Maturity Date.

6.15 Counterparty Risk

Participations and Hedge Transactions involve the Issuer entering into contracts with counterparties. Pursuant to such contracts, the counterparties agree to make payments to the Issuer under certain circumstances as described therein. The Issuer will be exposed to the credit risk of the counterparty with respect of any such payments.

Such credit risk exposes the Issuer not just to insolvency risk but also potentially the risk of the effect of a special resolution regime where the counterparty is a regulated entity within the scope of such regime. A special resolution regime may consist of stabilisation options exercisable by the relevant competent supervisory authorities, including bail-in, and special insolvency procedures. In general terms, the purpose of the stabilisation options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Bail-in means that certain claims of creditors of the entity are reduced, written down to zero and/or converted to equity. The exact scope of the stabilisation options depends on particular special resolution regime that is applicable. Any such event in respect of a counterparty of the Issuer may result in a significant loss for the Issuer as a creditor of such counterparty.

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, the terms of the applicable Hedge Agreement will generally provide for 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 results in the rating of the Rated Notes being maintained at their then current level within the remedy period specified in the ratings criteria of the Rating Agencies. There can be no assurance that the applicable Hedge Counterparty will be able to transfer its obligations to a suitable replacement counterparty or exercise any of the other aforementioned remedies within the specified remedy period. Failure to do so may result in interest rate or currency mismatches, which could adversely affect the ability to make payments on the Notes as the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure or currency risk exposure in respect of Non-Euro Obligations for so long as the Issuer has not entered into a replacement Hedge Transaction, see "*Interest Rate Risk*" and "*Unhedged Collateral Debt Obligations and Asset Swap Transactions*" below. For further information, see "*Hedging Arrangements*" below.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all Collateral of the Issuer held by the Custodian. 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 and which is acceptable to the Trustee within 30 days of such withdrawal or downgrade.

6.16 Concentration Risk

The Issuer (or the Collateral Manager on the Issuer's behalf) will invest in a Portfolio of Collateral Debt Obligations consisting primarily of Secured Senior Loans, Secured Senior Bonds, Corporate Rescue Loans, Unsecured Senior Obligations, High Yield Bonds, Second Lien Loans and Mezzanine Obligations. 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*" section of this Offering Circular. Although the resulting diversification may reduce the risk described above, the diversification requirements applicable to the Issuer may cause the Issuer to invest in obligors or industries that suffer more defaults than if the Issuer were not required to invest in a diversified portfolio.

6.17 Credit Risk

Risks applicable to Collateral Debt 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 Debt 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.

6.18 Interest Rate Risk

Certain Classes of Notes will bear interest at a floating rate based on EURIBOR. It is possible that Collateral Debt Obligations (in particular Secured Senior Bonds and High Yield Bonds) may bear interest at fixed rates and there is no requirement that the amount or portion of Collateral Debt Obligations securing the Notes must bear interest on a particular basis, save for the Portfolio Profile Tests which requires that not less than 0 per cent. of the Aggregate Collateral Balance and not more than 15 per cent. of the Aggregate Collateral Balance may comprise Unhedged Fixed Rate Collateral Debt Obligations, or, in relation to a Fitch Test Matrix elected by the Collateral Manager where such Fitch Test Matrix and/or the interpolation between the applicable Fitch Test Matrices applies a maximum percentage of the Aggregate Collateral Balance that can comprise Unhedged Fixed Rate Collateral Debt Obligations, such maximum percentage, if lower, calculated in accordance with the provisions set out in the section of this Offering Circular entitled "*The Portfolio – Portfolio Profile Tests and Collateral Quality Tests – Fitch Test Matrices*".

In addition, any payments of principal or interest received in respect of Collateral Debt Obligations and not otherwise reinvested during the Reinvestment Period in Substitute Collateral Debt 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, a floating rate basis mismatch (including in the case of Collateral Debt Obligations or Eligible Investments which pay a floating rate based on a benchmark other than EURIBOR), maturity date mismatch and mismatch in timing of determination of the applicable floating rate benchmark, in each case between the Notes and the underlying Collateral Debt Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Debt 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. Some Collateral Debt Obligations, however, may have interest rate floor arrangements that may help mitigate this risk, but there is no requirement for any Collateral Debt Obligation to have such a floor and there is no guarantee that any such floor will fully mitigate the risk of falling EURIBOR. If EURIBOR payable on the Floating Rate Notes rises during periods in which EURIBOR (or another applicable index) with respect to the various Collateral Debt Obligations and Eligible Investments is stable or is falling or is rising but is capped at a lower level, or where EURIBOR payable on the Floating Rate Notes rises and the Collateral Debt Obligations have floor arrangements which are above the levels of the then current EURIBOR, or during periods in which the Issuer owns Collateral Debt Obligations or Eligible Investments bearing interest at a fixed rate, "excess spread" (*i.e.*, the difference between the interest collected on the Collateral Debt Obligations and the sum of the interest payable on the Rated Notes and certain transaction fees payable by the Issuer) that otherwise would be available as credit support may be reduced or eliminated.

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

Interest Amounts are due and payable in respect of the Notes on a quarterly basis prior to the occurrence of a Frequency Switch Event and on a semi-annual basis following the occurrence of a Frequency Switch Event. If a significant number of Collateral Debt Obligations pay interest on a semi-annual or annual basis, there may be insufficient interest received to make quarterly interest payments on the Notes (at all times prior to the occurrence of a Frequency Switch Event). In order to mitigate the effects of any such timing mis-match, prior to the occurrence of a Frequency Switch Event, the Issuer will be required to hold back a portion of the interest received on Collateral Debt Obligations which pay interest less than quarterly in order make quarterly payments of interest on the Notes ("**Interest Smoothing**"). There can be no assurance that Interest Smoothing shall be sufficient to mitigate any timing mismatch. In addition, to mitigate reset risk, a Frequency Switch Event shall occur if (among other things) sufficient Collateral Debt Obligations reset from quarterly to semi-annual pay, as more particularly described in the definition of "Frequency Switch Event". There can be no assurance that Interest Smoothing and the occurrence of a Frequency Switch Event shall be sufficient to mitigate such timing and reset risks.

There may be a timing or interest rate basis mismatch between the Notes and the Floating Rate Collateral Debt Obligations as the interest rate on such Floating Rate Collateral Debt Obligations may adjust more frequently or less frequently, on different dates and based on different indices as compared to the interest rates on the Notes. As a result of such risks, an increase in the level of EURIBOR could adversely impact the ability of the Issuer to make payments on the Notes. There can be no assurance that the Collateral Debt 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.

Investors should be aware that, pursuant to the Agency Agreement (as defined in the Conditions), the Issuer is required to pay to the Account Bank and the Custodian all costs and expenses reasonably incurred by the Account Bank and the Custodian in relation to the accounts of the Issuer held with the Account Bank and the Custodian arising directly from the imposition of negative deposit interest rates by the European Central Bank or any other applicable rate setting authority. Such costs and expenses will be payable as an Administrative Expense, subject to and in accordance with the Priorities of Payments, and may negatively affect the amounts payable to Noteholders.

6.19 Unhedged Collateral Debt Obligations and Asset Swap Transactions

The percentage of the Portfolio that is comprised of these types of obligations may increase or decrease over the life of the Notes within the limits set by the Portfolio Profile Tests. Although the Issuer intends to hedge against certain currency exposures pursuant to the Asset Swap Transactions, it is not required that all Non-Euro Obligations must be Asset Swap Obligations, and some may be Unhedged Collateral Debt Obligations. Accordingly, fluctuations in the exchange rate for currencies in which Non-Euro Obligations are denominated may lead to the proceeds of the Collateral Debt Obligations being insufficient to pay all amounts due to the respective Classes of Noteholders or may result in a decrease in value of the Collateral for the purposes of sale hereof upon enforcement of the security over it.

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

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

Defaults, prepayments, trading and other events increase the risk of a mismatch between the Asset Swap Transactions, the Non-Euro Obligations and the Notes. This may cause losses. The Collateral Manager may be limited at the time of reinvestment in its choice of Collateral Debt Obligations because of the cost of the foreign exchange hedging and due to restrictions in the Collateral Management Agreement with respect to exercising 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 exchange rates.

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

6.20 Reinvestment Risk/Uninvested Cash Balances

To the extent the Issuer (or the Collateral Manager on the Issuer's 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 Debt Obligations and to reinvest the proceeds thereof in Substitute Collateral Debt Obligations in compliance with the Reinvestment Criteria. In addition, during the Reinvestment Period, to the extent that any Collateral Debt Obligations prepay or mature prior to the Maturity Date, the Collateral Manager will seek, to invest the proceeds thereof in Substitute Collateral Debt Obligations, subject to the Reinvestment Criteria. In addition, following the expiry of the Reinvestment Period, the Collateral Manager may reinvest some types of Principal Proceeds ("*The Collateral Manager may reinvest after the end of the Reinvestment Period*" above). The yield with respect to such Substitute Collateral Debt 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 Debt 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 Debt 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 of interest on the Notes which will adversely affect cash flows available to make payments on the Notes, especially the most junior Class or Classes of Notes. There can be no assurance that in the event Collateral Debt Obligations are sold, prepaid, or mature, yields on Collateral Debt 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 Debt 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 Debt 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 Debt Obligations. The longer the period between reinvestment of cash in Collateral Debt 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 Loans usually have shorter terms than more junior obligations and often require mandatory repayments from excess cash flow, asset dispositions and offerings of debt and/or equity securities. The increased levels of prepayments and amortisation of loans increase the associated reinvestment risk on the Collateral Debt Obligations which risk will first be borne by holders of the Subordinated Notes then by holders of the Class M Notes in respect of Subordinated Class M Interest Amounts, then by holders of the Rated Notes, beginning with the most junior Class, and then by holders of the Class M Notes in respect of Senior Class M Interest Amounts.

In addition, the amount of Collateral Debt Obligations owned by the Issuer on the Issue Date, the timing of purchases of additional Collateral Debt Obligations on and after the Issue Date and the scheduled interest payment dates of those Collateral Debt 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 Class M Notes and the payment of distributions to the Subordinated Notes on the first Payment Date.

6.21 Ratings on Collateral Debt Obligations

In addition to the ratings assigned to the Rated Notes by the Rating Agencies, the Issuer will be utilising ratings assigned by rating agencies to Obligors of individual Collateral Debt Obligations. The Collateral Quality Tests, the Portfolio Profile Tests and the Coverage Tests and the Reinvestment Overcollateralisation Test are sensitive to variations in the ratings applicable to the underlying Collateral Debt 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 Impaired Obligation, a Fitch CCC Obligation or S&P CCC Obligation (and therefore potentially subject to haircuts in the determination of the Par Value Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test and restriction in the Portfolio Profile Tests or a Defaulted Obligation. The Collateral Management Agreement contains detailed provisions for determining the Fitch Rating and the S&P Rating. In most instances, the Fitch Rating and the S&P Rating will not be based on or derived from a public rating of the Obligor or the actual Collateral Debt Obligation. In most cases, the Fitch Rating and the S&P Rating in respect of a Collateral Debt Obligation will be based on a confidential credit estimate determined separately by Fitch and S&P. Such private ratings and confidential credit estimates are private and therefore not capable of being disclosed to Noteholders. In addition, some ratings will be derived by the 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. The Portfolio Profile Tests contain limitations on the proportions of the Aggregate Collateral Balance that may be made up of Collateral Debt Obligations where the Fitch Rating and/or S&P Rating is derived from a rating assigned to such Collateral Debt Obligation by a different rating agency. Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Collateral Debt Obligation and may reflect a more or less conservative view of the actual credit risk of such Collateral Debt 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 Debt Obligation in question. Please see "*Ratings of the Notes*" and "*The Portfolio*".

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

6.22 Insolvency Considerations relating to Collateral Debt Obligations

Collateral Debt 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 Debt Obligations where obligations thereunder are subject to such regimes, in the event of the insolvency of the relevant Obligor. If an Obligor is a regulated financial institution, the Issuer may be exposed to the credit risk of the relevant Obligor – see further "*Counterparty Risk*" above.

The different insolvency regimes applicable in the different European jurisdictions result in a corresponding variability of recovery rates for Senior Loans, Secured Senior Bonds, Second Lien Loans, Mezzanine Obligations, Corporate Rescue Loans, Mezzanine Obligations and High Yield Bonds entered into by Obligors in such jurisdictions. No reliable historical data is available.

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

6.24 Loan Repricing

Leveraged loans may experience volatility in the spread that is paid on such leveraged loans. Such spreads will vary based on a variety of factors, including, but not limited to, the level of supply and demand in the leveraged loan market, general economic conditions, levels of relative liquidity for leveraged loans, the actual and perceived level of credit risk in the leveraged loan market, regulatory changes, changes in credit ratings, and the methodology used by credit rating agencies in assigning credit ratings, and such other factors that may affect pricing in the leveraged loan market. Since leveraged loans may generally be prepaid at any time without penalty, the Obligors of such leveraged loans would be expected to prepay or refinance such leveraged loans if alternative financing were available at a lower cost. For example, if the credit ratings of an Obligor were upgraded, the Obligor were recapitalised or if credit spreads were declining for leveraged loans, such Obligor would likely seek to refinance at a lower credit spread. Declining credit spreads in the leveraged loan market and increasing rates of prepayments and refinancings will likely result in a reduction of portfolio yield and interest collection on the Collateral Debt Obligations, which would have an adverse effect on the amount available for distributions on the Notes, beginning with the Subordinated Notes as the most junior Class, then the Class M Notes in respect of Subordinated Class M Interest Amounts, then the Rated Notes, beginning with the most junior Class, and then the Class M Notes in respect of Senior Class M Interest Amounts.

6.25 Collateral Manager

The Collateral Manager will be given authority in the Collateral Management 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 Agreement. See "*The Portfolio*" and "*Description of the Collateral Management Agreement*" sections of this Offering Circular. 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 Agreement: (a) the acquisition of Collateral Debt Obligations during the Reinvestment Period; (b) the sale of Collateral Debt Obligations during the Reinvestment Period (subject to certain limits) and, at any time, upon the occurrence of certain events (including a Collateral Debt Obligation becoming a Defaulted Obligation, a Credit Improved Obligation or a Credit Impaired Obligation); and (c) the participation in restructuring and work-outs of Collateral Debt Obligations on behalf of the Issuer. See "*The Portfolio*" section of this Offering Circular. Any analysis by the Collateral Manager (on behalf of the Issuer) of Obligors under Collateral Debt

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 Debt Obligations which are publicly listed bonds, be limited to a review of readily available public information and in respect of Collateral Debt 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 Debt 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 Agreement places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Debt Obligations on behalf of the Issuer, and the Collateral Manager is required to comply with the restrictions contained in the Collateral Management Agreement. Accordingly, during certain periods or in certain specified circumstances, the Collateral Manager may be unable to buy or sell Collateral Debt Obligations on behalf of the Issuer 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 Agreement. In addition, see 8 (*Certain Conflicts of Interest - Restrictions on the Discretion of the Collateral Manager in Order to Comply with Risk Retention*).

The Collateral Manager will not be liable in contract or tort to the Issuer, the Trustee or the holders of the Notes or to any other person for any loss incurred as a result of the actions taken by the Collateral Manager under the Collateral Management Agreement, except by reason of acts or omissions constituting bad faith, wilful misconduct or gross negligence (with such term given its meaning under New York law) in the performance of its obligations under the express terms of the Collateral Management Agreement or by reason of any information provided by the Collateral Manager for inclusion in this Offering Circular containing any untrue statement of material fact or omitting to state a material fact necessary in order to make such statements, in the light of the circumstances under which they were made, not misleading (together, "**Collateral Manager Breaches**"). Investors should note that for such purpose and notwithstanding that the Notes and the Transaction Documents are governed by English law, the interpretation of "gross negligence" will be pursuant to New York law. Under New York law, the concept of gross negligence is a significantly lower standard of care than negligence under English law, requiring conduct akin to intentional wrongdoing or reckless indifference under English law. As a result, the Collateral Manager may in some circumstances have no liability for its actions or inactions under the Transaction Documents where it would otherwise have been liable if a mere negligence standard was applied under English law or if New York law was not designated as the law pursuant to which the concept of gross negligence for this purpose would be interpreted.

The Issuer is a newly formed entity and has no operating history or performance record of its own (other than in respect of its incorporation, the Warehouse Arrangements and matters incidental thereto). 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**"), including those managed or advised by the Collateral Manager or Collateral Manager Related Parties 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 and Collateral Manager Related Parties in analysing, selecting and managing the Collateral Debt Obligations. There can be no assurance that such key personnel currently associated with the Collateral Manager or Collateral Manager Related Parties will remain in such position throughout the life of the transaction. The loss of one or more of such individuals could have a material adverse effect on the performance of the Issuer.

In addition, the Collateral Manager may resign or be removed in certain circumstances as described herein under "*Description of the Collateral Management Agreement*". There can be no assurance that any successor collateral 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 Agreement and will continue to advise and manage other investment funds in the future.

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

6.26 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.

6.27 Acquisition and Disposition of Collateral Debt 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) will be used by the Issuer for the repayment of any amounts borrowed by the Issuer under the Warehouse Arrangements (together with any interest thereon) and all other amounts due in order to finance the acquisition of warehoused Collateral Debt Obligations purchased by the Issuer prior to the Issue Date (including expenses incurred in connection with the Warehouse Arrangements but less the Reclassification Price of any Issue Date Ineligible Portfolio Obligations reclassified on the Issue Date pursuant to the Collateral Management Agreement (such Reclassification Price to be retained as Note Proceeds in the Unused Proceeds Account pursuant to netting arrangements to be entered into (if applicable) in respect of a Collateral Manager Advance to be made on the Issue Date by the Collateral Manager to be applied towards such reclassification and the amount required to be applied towards the repayment of any subordinated funding amounts borrowed by the Issuer under the Warehouse Arrangements)) and to fund the First Period Reserve Account. The remaining proceeds shall be credited to the Unused Proceeds Account and used to purchase (or enter into agreements to purchase) additional Collateral Debt Obligations during the Initial Investment Period (as defined in the Conditions). The Collateral Manager's decisions concerning purchases of Collateral Debt 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 Agreement. The failure or inability of the Collateral Manager to acquire Collateral Debt Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Debt 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 Agreement and as described herein, the Collateral Manager may only, on behalf of the Issuer, dispose of a limited percentage of Collateral Debt Obligations in any period of 12 calendar months as well as any Collateral Debt Obligation that meets the definition of a Defaulted Obligation, an Exchanged Security and, subject to the satisfaction of certain conditions, a Credit Impaired Obligation or Credit Improved Obligation. Notwithstanding such restrictions and subject to the satisfaction of the conditions set forth in the Collateral Management Agreement, sales and purchases by the Collateral Manager of Collateral Debt Obligations on behalf of the Issuer could result in losses by the Issuer, which will be borne in the first instance by the holders of the Subordinated Notes, then by

Class M Notes in respect of Subordinated Class M Interest Amounts, then by holders of the Rated Notes, beginning with the most junior Class, and then by holders of the Class M Notes in respect of Senior Class M Interest Amounts.

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 Debt Obligation, but will not be permitted to do so under the terms of the Collateral Management Agreement.

6.28 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 Debt 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 Debt 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 Debt 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.

6.29 Valuation Information; Limited Information

None of the Initial Purchaser, the Sole Arranger, the Collateral Manager, the Retention Holder 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 Debt Obligations and none of the transaction parties (including the Issuer, Trustee or Collateral Manager) will be required to provide any information other than what is required in the Trust Deed or the Collateral Management Agreement. Furthermore, if any information is provided to the Noteholders (including required reports under the Trust Deed), such information may not be audited. Finally, the Collateral Manager may be in possession of material, non-public information with regard to the Collateral Debt Obligations and will not be required to disclose such information to the Noteholders.

6.30 Recharacterisation of Trading Gains

Pursuant to the Conditions, subject to certain specified conditions, all or part of any Trading Gains which would have been deposited into the Principal Account and designated for reinvestment or used to redeem the Notes in accordance with the Principal Proceeds Priority of Payments may (at the election of the Collateral Manager) instead be deposited into the Supplemental Reserve Account, subject to certain conditions. Such Trading Gains may, at the direction of the Issuer (or the Collateral Manager acting on its behalf), be applied to one or more Permitted Uses, which include being credited to the Interest Account for distribution as Interest Proceeds in accordance with the Priorities of Payments and being applied towards the purchase of Rated Notes in accordance with Condition 7(k) (*Purchase*). At the direction of the Issuer (or the Collateral Manager acting on its behalf) such Trading Gains may not be available to be reinvested in Collateral Debt Obligations and therefore the Aggregate Principal Balance of Collateral Debt Obligations securing the Notes may be less than what would have otherwise been the case if such amounts had been reinvested in Collateral Debt Obligations.

6.31 Excess Par Amount

In connection with a Refinancing in whole pursuant to Condition 7(b)(i) (*Optional Redemption in Whole-Subordinated Noteholders or Retention Holder*), the Collateral Manager may designate Principal Proceeds as Interest Proceeds in an amount not to exceed the then applicable Excess Par Amount.

Accordingly, amounts which could otherwise have financed the purchase of additional Collateral Debt Obligations on the date of such Refinancing, may instead, at the Collateral Manager's discretion, be applied as Interest Proceeds in accordance with the applicable Priority of Payments including by way of distribution to Subordinated Noteholders.

6.32 The Issuer is subject to Risks, including the Location of its Centre of Main Interest

Centre of main interest

The Issuer has its registered office in Ireland. Under Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**Recast EU Insolvency Regulation**"), the Issuer's centre of main interest ("**COMI**") is presumed to be the place of its registered office (*i.e.* Ireland) in the absence of proof to the contrary and provided that the Issuer did not move its registered office within the three months prior to a request to open insolvency proceedings.

As the Issuer's COMI is presumed to be Ireland, any main insolvency proceedings in respect of the Issuer would fall within the jurisdiction of the courts of Ireland. As to what might constitute "proof to the contrary" regarding the location of a company's COMI, the key decision is that in Re Eurofood IFSC Ltd ([2004] 4 IR 370 (Irish High Court); [2006] IESC 41 (Irish Supreme Court); [2006] Ch 508; ECJ Case C-341/04 (European Court of Justice)), given in respect of the equivalent provision in the previous EU Insolvency Regulation (Regulation (EC) No. 1346/2000). In that case, on a reference from the Irish Supreme Court, the European Court of Justice concluded that "factors which are both objective and ascertainable by third parties" would be needed to demonstrate that a company's actual situation is different from that which the location of its registered office is deemed to reflect. For instance, if a company with its registered office in Ireland does not carry on any business in Ireland, that could rebut the presumption that the company's COMI is in Ireland. However, if a company with its registered office in Ireland does carry on business in Ireland, the fact that its economic choices are controlled by a parent undertaking in another jurisdiction would not, of itself, be sufficient to rebut the presumption.

As the Issuer has its registered office in Ireland, currently has Irish directors, is registered for tax in Ireland and has an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland.

7 IRISH LAW CONSIDERATIONS

Preferred creditors under Irish law

Under Irish law, upon an insolvency of an Irish company such as the Issuer, when applying the proceeds of assets subject to fixed security that may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (that may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) that have been approved by the Irish courts. See the section entitled "*Examinership*" below.

The holder of a fixed security over the book debts of an Irish incorporated company (that would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those that the holder received in payment of debts due to it by the company.

Where notice has been given to the Irish Revenue Commissioners of the creation of the security within 21 calendar days of its creation by the holder of the security, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of VAT) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax, whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish

Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of any Irish tax resident company that are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

The essence of a fixed charge is that the chargor does not have liberty to deal with the assets that are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer, any charge constituted by the Trust Deed may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables, it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the moneys standing to the credit of such account without the consent of the chargee.

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security purported to be created by the Trust Deed would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

(a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;

(b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding up;

(c) they rank after certain insolvency remuneration expenses and liabilities;

(d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and

(e) they rank after fixed charges.

Examinership

Examinership is a court procedure available under the Irish Companies Act 2014, as amended to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the Directors, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer, are each entitled to petition the Irish Circuit Court or High Court (as appropriate) (each an "**Irish Examinership Court**") for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment. Furthermore, he may sell assets which are the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

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

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class, the Trustee would be in a position to reject any proposal not in favour of the Noteholders. The Trustee would also be entitled to argue at the appropriate Irish Examinership Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals include a writing down of the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were to be appointed in respect of the Issuer are as follows:

(a) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed by the Issuer to the Noteholders as secured by the Trust Deed;

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

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

8 CERTAIN CONFLICTS OF INTEREST

The Initial Purchaser and its Affiliates, the Sole Arranger and its Affiliates and the Collateral Manager and their 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.

Collateral Manager

Various potential and actual conflicts of interest may arise from the various activities (investment, advisory, administrative and other) of the Collateral Manager, Collateral Manager Related Persons, funds managed or advised by the Collateral Manager (including Other Accounts, as defined below) and their respective Affiliates, clients and employees (together "**Collateral Manager Related Parties**"). The following briefly summarises some of these conflicts but is not intended to be an exhaustive list of all such conflicts.

In addition, conflicts of interest may arise in connection with the exercise by the Collateral Manager of its powers and discretions under the Collateral Management Agreement and its undertakings as Retention Holder under the Risk Retention Letter. See "*Restrictions on the Discretion of the Collateral Manager in Order to Comply with Risk Retention*".

Collateral Manager Related Parties currently manage or advise, and may in the future manage or advise, or may otherwise be affiliated with other funds, accounts or entities, including CLO Vehicles and Other Funds (collectively, the "**Other Accounts**") that invest, and in some cases, have priority ahead of the Issuer with respect to, securities or obligations similar to the Collateral Debt Obligations. Other Accounts may also invest in one or more Classes of the Notes. These situations present the potential for conflicts, including, but not limited to, the conflicts of interest described below. There may be situations in which the interests of the Issuer with respect to a particular investment or other matter conflict with the interests of one or more Collateral Manager Related Parties. While the Collateral Manager will seek to manage such potential conflicts of interest in accordance with its standard of care set out in the Collateral Management Agreement and generally in accordance with the Collateral Manager's guidelines for allocating opportunities and managing conflicts and as it otherwise determines to be appropriate under the circumstances, there may be situations in which the interests of the Issuer with respect to a particular investment or other matter conflict with the interests of one or more Collateral Manager Related Parties. If necessary to resolve conflict, the Collateral Manager reserves the right to take such steps as it determines to be necessary to minimise or eliminate the conflict, even if that would require the Issuer to (a) forego an investment opportunity or divest investments that, in the absence of such conflict, it would have made or continued to hold or (b) otherwise take action that may benefit one or more Collateral Manager Related Parties and may not be in the best interest of the Issuer. Collateral Manager Related

Parties will at certain times, due to differing investment objectives or a variety of other reasons, (i) be simultaneously seeking to purchase or sell investments for the Issuer and Collateral Manager Related Parties (or for their own accounts) and/or (ii) be shorting obligations (either directly or indirectly through derivative instruments) that will be the same as (or similar to) the investments held by the Issuer.

Collateral Manager Related Parties may have economic interests in, relationships with, or render services or engage in transactions with Obligors in whose obligations the Issuer may invest. As a result, officers and employees of the Collateral Manager and Collateral Manager Related Parties may possess (and will have no obligation to share) information relating to Obligors that is not known to the individuals responsible for monitoring the Portfolio or performing obligations under the Collateral Management Agreement.

In particular, Collateral Manager Related Parties may invest in and/or hold equity securities or obligations of an obligor that may be *pari passu*, senior or junior in ranking to, or have interests different from or adverse to, another obligation of such obligor that is included in the Portfolio, and/or Collateral Manager Related Parties may serve on boards of directors (or in a similar role) of or otherwise have on-going relationships with such obligor. The purchase, holding and sale of such equity securities or obligations by the Issuer may enhance the profitability of the investments in such obligors held by the Collateral Manager Related Parties. Each of such ownership and other relationships may affect the ability of the Collateral Manager to advise the Issuer with respect to such obligations.

Collateral Manager Related Parties are under no obligation to act or refrain from acting with respect to their other business activities, investments or relationships in a manner that is consistent with the interests of the owners of the Notes or to refrain from acting in a manner than is inconsistent with such interests. Further, the recommendations made to others by Collateral Manager Related Parties and transactions effected by Collateral Manager Related Parties on behalf of themselves or others may be the same or different from those made or effected on behalf of the Issuer. No Collateral Manager Related Party is under any obligation to offer investment opportunities of which they become aware to the Issuer or to share with the Issuer or to inform the Issuer of any such transaction or any benefit received by them from any such transaction or to inform the Issuer of any investments before offering any investments to any Other Accounts.

Furthermore, Collateral Manager Related Parties may make an investment on their own behalf or on behalf of their clients without offering the opportunity to add such investment, or adding such investment, to the Portfolio.

Affirmative obligations may exist or may arise in the future, whereby Collateral Manager Related Parties may be obliged to offer certain investments to Other Accounts before or without the Collateral Manager offering those investments to the Issuer. The Collateral Manager may purchase or sell Collateral Debt Obligations that it or any of its clients has declined to invest in for its own account, the account of any of its Collateral Manager Related Parties or the account of its other clients.

The Collateral Manager and Collateral Manager Related Parties may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and/or indirect owners of the Notes) in respect of obligations being considered for acquisition by the Issuer. Some of those same parties may have interests adverse to those of the Noteholders and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or securities. This Offering Circular does not contain any information regarding the individual Collateral Debt Obligations that will comprise the Issuer's initial portfolio or that may secure the Notes from time to time.

Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management Agreement, those staff may have conflicts in allocating their time and services among the Issuer and the Other Accounts and Collateral Manager Related Parties.

There is no limitation or restriction on the Collateral Manager or any Collateral Manager Related Parties, with regard to acting as collateral manager (or in a similar role) to other parties or persons, including persons that are issuers under other collateralised loan obligation transactions. This and other future activities of the Collateral Manager and/or Collateral Manager Related Parties may give rise to additional conflicts of interest. See "*The Collateral Manager*".

As part of its business, the Collateral Manager and Collateral Manager Related Parties provide or will provide investment advisory services and they may provide other services in the future. The Issuer will receive no benefit from the fees or profits derived from such services. The Collateral Manager and Collateral Manager Related Parties may have relationships with, render services to or engage in transactions with obligors of obligations that are, or are eligible to be, Collateral Debt Obligations. As a result, the Collateral Manager and/or Collateral Manager Related Parties, in connection with their other business activities, may acquire material non-public confidential information that may restrict the Collateral Manager's ability to advise the Issuer and may also restrict the Collateral Manager from effecting transactions in certain Collateral Debt Obligations that might have otherwise been consummated.

Additionally, there may be circumstances in which one or more of certain individuals associated with the Collateral Manager and/or other Collateral Manager Related Parties will be precluded from providing services to the Issuer because of certain confidential information available to those individuals or to other parts of the Collateral Manager and/or other Collateral Manager Related Parties.

Additionally, the Collateral Manager may in some instances seek to avoid the receipt of material, non-public information about the obligors of loans and other investments (including from the obligor itself) being considered for acquisition by the Issuer, or held by the Issuer. The Collateral Manager's decision not to receive such material, non-public information may disadvantage the Issuer and could adversely affect the Issuer's performance.

The Collateral Manager and/or Collateral Manager Related Parties may act as principal or as agent or fiduciary for other clients (including any fund or account advised or managed by the Collateral Manager or any of its Affiliates), in connection with the transactions to which the Issuer is a party. For example, certain Collateral Debt Obligations were acquired by the Issuer pursuant to a sale and participation deed in connection with the Warehouse Arrangements. In connection with such redemption, the Issuer purchased certain eligible assets of that fund. Should a conflict of interest actually arise, the Collateral Manager will endeavour to resolve it in a manner that it deems to be fair to the extent possible under the prevailing facts and circumstances. Under certain circumstances, the Issuer may acquire Collateral Debt Obligations originated by Collateral Manager Related Persons. The Collateral Manager will be required to refrain from purchasing (on behalf of the Issuer) Collateral Debt Obligations from, or selling (on behalf of the Issuer) Collateral Debt Obligations to, the Collateral Manager, any of its Affiliates (in the case of a purchase on behalf of the Issuer, if such Affiliate is the seller of such Collateral Debt Obligation, but notwithstanding anything to the contrary, this sentence shall not apply if such Affiliate is the Obligor on such Collateral Debt Obligation) or any account or portfolio for which the Collateral Manager or any of its Affiliates serve as investment advisor or purchasing or selling Collateral Debt Obligations in a transaction in which the Collateral Manager or any of its Affiliates acts as broker for the Issuer or for the other party to the transaction, unless (1) the Issuer has received from the Collateral Manager in writing such information relating to the transaction as the Issuer may reasonably request or as otherwise may be necessary for the Issuer to make an informed decision regarding whether to approve the transaction, (2) the Issuer (which may act through its board of directors) has approved the transaction prior to settlement of such transaction and (3) the transaction is otherwise conducted in accordance with any applicable law or regulation and on an arm's-length basis for fair market value and on terms as favourable to the Issuer as would be the case if a transaction were effected with persons not so affiliated with the Collateral Manager or any of its Affiliates. It is expected that, subject to any applicable provisions of the Collateral Management Agreement, the Collateral Manager may seek to acquire on behalf of the Issuer certain Collateral Debt Obligations issued by entities in which Collateral Manager Related Parties have invested or have a controlling interest. In addition, the Collateral Manager may, in its sole discretion, pursuant to the Collateral Management Agreement, reclassify certain Non-Eligible Issue Date Collateral Debt Obligations and any assets held by the Issuer that do not satisfy the Eligibility Criteria after the Issue Date or the Restructured Obligation Criteria at the Restructuring Date (if applicable) as Collateral Enhancement Obligations. The Collateral Manager's decision to reclassify such assets may in certain circumstances (such as where the value of the relevant asset increases after such reclassification) solely benefit the Subordinated Noteholders (including the Collateral Manager's holding of Retention Notes) and not the holders of other Classes. Distributions and sale proceeds received in respect of Collateral Enhancement Obligations will be available for distribution in accordance with the Collateral Enhancement Obligation Proceeds of Priority of Payments. Such distributions may cause the Incentive Collateral management Fee IRR Threshold to be reached in circumstances where it would otherwise not have been met should the Collateral Manager not have made the decision to reclassify such assets. The Collateral Manager's decision to reclassify the relevant assets may therefore cause Interest Proceeds

and/or Principal Proceeds to be paid to the Collateral Manager as an Incentive Collateral Management Fee rather than being paid as payment of interest and/or principal on the Subordinated Notes.

Although the parties to these transactions are expected to transact on terms they believe reflect fair market practice, there is no assurance that the pricing will in fact accurately reflect fair market value. Fair market value for certain Collateral Debt Obligations may be difficult to ascertain, and there will be no obligation to obtain independent third party pricing validation. If prices to acquire loans or other Collateral Debt Obligations are higher than actual fair market value, the value of the Notes may be adversely affected. In addition, the prices paid for such assets are expected to be the market value thereof on the date the Issuer enters into the commitment to purchase such Collateral Debt Obligations, which may be greater or less than the market value thereof on the date the Issuer actually acquires such Collateral Debt Obligations. Events occurring between the date the Issuer commits to acquire such Collateral Debt Obligations and the date the Issuer actually acquires such Collateral Debt Obligations could adversely affect the market value of such Collateral Debt Obligations so acquired. These events may include, among others, changes in prevailing interest rates, prepayments of principal, developments or trends in a particular industry, changes in the financial condition of the obligors of such Collateral Debt Obligations, the timing of purchases prior to the date the Issuer makes its investment and a number of other factors beyond the control of the Collateral Manager or the Issuer, including the condition of certain financial markets, general economic conditions and international political events. These will be risks borne by the Issuer and Noteholders.

The Collateral Manager will not be obliged to utilise any particular investment opportunity or strategy that may arise with respect to the Collateral Debt Obligations. In the course of managing the Collateral Debt Obligations, the Collateral Manager may consider its relationships with other clients (including issuers of Collateral Debt Obligations purchased by the Collateral Manager for the Issuer) and their Affiliates and may, in its sole discretion, determine to sell or refrain from purchasing a Collateral Debt Obligation in view of such relationships.

The Collateral Management Agreement places significant restrictions on the Collateral Manager's ability to buy or sell securities or loans for inclusion in the Portfolio on behalf of the Issuer, and the Collateral Manager is subject to compliance with such restrictions. Accordingly, during certain periods or in certain specified circumstances, the Issuer (or the Collateral Manager on its behalf) may be unable to buy or sell securities or loans or to take other actions that the Collateral Manager might consider in the best interest of the Issuer and the Noteholders.

The Collateral Manager shall act as Retention Holder and will undertake to acquire and retain Subordinated Notes having a Principal Amount Outstanding such that the aggregate purchase price thereof equals no less than 5 per cent. of the Target Par Retention Amount. There is no restriction on the ability of the Collateral Manager or any Collateral Manager Related Parties to acquire additional Subordinated Notes or any Notes of any Class at any time. It is possible that one or more Collateral Manager Related Parties may acquire Subordinated Notes in addition to those held by the Retention Holder. The interests and incentives of a Collateral Manager Related Party that is a Subordinated Noteholder may conflict with or be adverse to the interests and incentives of the holders of other Classes of Notes or the other Subordinated Noteholders. In addition, different Collateral Manager Related Parties may hold Classes of Notes with different levels of priority or with the same levels of priority. For example, certain Other Accounts may hold Subordinated Notes while different Other Accounts may hold Rated Notes. In those circumstances, the Collateral Manager and other Collateral Manager Related Parties may, to the fullest extent permitted by applicable law, take steps to reduce the potential for adversity between the Issuer and such Other Accounts, including by causing certain Noteholders that are Collateral Manager Related Parties to remain passive in a restructuring or similar situations (including electing not to vote or voting *pro rata* with Noteholders of the same Class or divesting of applicable Notes) while other Collateral Manager Related Parties may take an active role. Under certain circumstances, a passive role taken by certain Collateral Manager Related Parties may cause the power or rights of other Collateral Manager Related Parties to be magnified. In addition, multiple Collateral Manager Related Parties may acquire Notes within the same Class or otherwise with the same levels of priority and may acquire a controlling vote with respect to such Class or level of priority. Prospective investors in the Notes should assume that Collateral Manager Related Parties will exercise their rights as Noteholders taking into account only the interests of such Collateral Manager Related Party or its investors, which may conflict with or be adverse to the interests of other Noteholders or the interests of the Issuer.

In the event that any Originated Asset failed to meet the Eligibility Criteria (as such term is defined under the Warehouse Arrangements) during the relevant Seasoning Period, the Issuer had the right to require the Retention Holder to purchase from it the relevant Originated Asset at a purchase price equal to the market value of the Originated Asset at the commencement of its Seasoning Period, in accordance with the terms summarised in "*The Retention Holder and the EU Retention and Transparency Requirements – Origination of Collateral Debt Obligations*" below. The Noteholders, by their acquisition of the Notes, will be deemed to have consented to the foregoing.

In addition, no termination or resignation of the Collateral Manager shall be effective unless and until the Issuer has appointed a replacement Collateral Manager who has agreed to assume all the duties and obligations arising out of the Collateral Management Agreement and the Trust Deed, in accordance with the terms and conditions of the Collateral Management Agreement (except in circumstances where it has become illegal for the Collateral Manager to carry on its duties under the Collateral Management Agreement) and, among other things, Rating Agency Confirmation has been received in respect thereof and such appointment has not been rejected by the Noteholders of the Controlling Class acting by Ordinary Resolution within 30 days of such appointment, see "*Description of the Collateral Management Agreement*". Any Notes held by or on behalf of the Collateral Manager, or any Collateral Manager Related Person, will have no voting rights with respect to any vote (or written direction or consent) in connection with CM Removal Resolutions or with respect to the assignment or transfer by the Collateral Manager of its obligations under the Collateral Management Agreement and will be deemed not to be Outstanding in connection with any such vote, provided, however, that any Notes held by the Collateral Manager, or any Collateral Manager Related Person, will have voting rights (including in respect of written directions and consents) with respect to all other matters as to which Noteholders are entitled to vote (including the appointment of a successor collateral manager). If the Collateral Manager or other Collateral Manager Related Persons hold or otherwise have discretionary voting authority over the requisite percentage of the outstanding principal amount of the Subordinated Notes, which may be the case at any time, including as a result of its holding of the Retention Notes, Collateral Manager Related Persons will control certain matters under the Trust Deed and the Collateral Management Agreement that may affect the performance of the Portfolio and the return on one or more Classes of Notes, including, without limitation, an Optional Redemption at the direction of the Subordinated Noteholders. Collateral Manager Related Persons may also control matters related to any Refinancing or the sale of Collateral Debt Obligations following an Optional Redemption. The Collateral Manager or another Collateral Manager Related Person may be appointed as a successor collateral manager in connection with such Refinancing or such sale of Collateral Debt Obligations to a newly formed collateralised loan obligation vehicle. Such appointment may benefit the Collateral Manager or other Collateral Manager Related Person to the extent that it may continue to: (i) invest or re-invest the Collateral Debt Obligations in the Issuer's portfolio that may otherwise have been liquidated and (ii) receive a fee for managing the Issuer's portfolio for a longer period of time than had those obligations been liquidated. A portion of the Collateral Debt Obligations in the Issuer's portfolio may be sold to such newly formed collateralised obligation vehicle for which the Collateral Manager will act as collateral manager. See "*Description of the Collateral Management Agreement*". Other than the Notes held in respect of the EU Retention Requirements, any other Notes purchased by the Collateral Manager and/or Collateral Manager Related Parties may be transferred to related or unrelated parties at any time after the Issue Date. It should not be assumed that any funds or accounts for which the Collateral Manager or Collateral Manager Related Parties act as an investment adviser or manager and that purchase Notes on the Issue Date or thereafter will continue to hold the Notes. In particular, if at any time any Subordinated Notes are owned by the Collateral Manager or a Collateral Manager Related Party, the Collateral Manager may face conflicts between the interests of the holders of the Rated Notes on the one hand and the interests of the holders of the Subordinated Notes on the other when making a decision to purchase or sell a Collateral Debt Obligation.

Collateral Manager Related Parties may effect secondary purchases or sales of Notes. Noteholders generally will not have any right to approve such transaction or the pricing on which they will occur. Certain Collateral Manager Related Parties may securitise their Note holdings or take other actions that would impact the valuation of their Note holdings as an exit strategy for their portfolios.

The Collateral Manager and its Affiliates may receive greater total fees, incentive compensation and other compensation as a result of Collateral Manager Related Parties investing in the Notes than the Collateral Manager and its Affiliates would receive if the Collateral Manager Related Party invested in other investment products, and/or the Collateral Manager and its Affiliates may benefit from the participation by Collateral Manager Related Parties in other ways. This may create incentives for the

Collateral Manager and its Affiliates to cause Collateral Manager Related Parties to invest in the Notes, thus giving rise to the various potential conflicts of interest described herein and other potential conflicts of interest.

On the Issue Date, the Collateral Manager will be reimbursed by the Issuer for certain of its expenses incurred in connection with the issuance of the Notes and the transactions related thereto (including legal fees and expenses). In addition, the Collateral Manager will be entitled to be paid the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee and will be entitled to be reimbursed by the Issuer for expenses incurred by it in its capacity as Collateral Manager on an on-going basis, in each case in accordance with the Priorities of Payments.

The Collateral Manager may agree to permit a portion of any Collateral Management Fee to be paid to one or more of the Noteholders or any Collateral Manager Related Party (which may or may not be a Noteholder). Investors should note that the existence of such fee arrangements may incentivise Noteholders in receipt of such fees to exercise their voting rights in a particular way, including voting against the removal and/or replacement of the Collateral Manager.

As further described in "*Description of the Collateral Management Agreement – Fees*" below, Senior Class M Interest Amounts and Subordinated Class M Interest Amounts are payable to Class M Noteholders in accordance with the Priorities of Payments *pro rata* and *pari passu* with the Senior Collateral Management Fee and the Subordinated Collateral Management Fee respectively. Such Class M Notes shall be issued on the Issue Date to one or more Collateral Manager Related Parties and the Collateral Manager's incentive based rewards with regard to the performance of its duties in accordance with the Collateral Management Agreement may therefore be reduced as a result.

These Collateral Management fee arrangements may make it more difficult for the Issuer to locate a replacement Collateral Manager if a replacement were desired for any reason as any replacement Collateral Manager would not necessarily have the separate investment management fees expected to be received by the initial Collateral Manager to offset the lower Collateral Management Fees. Furthermore, these fees may create incentives for the Collateral Manager to make decisions that may conflict with the interests of the Rated Notes.

The Collateral Manager may enter into agreements with one or more holders of the Notes or other persons (including Collateral Manager Related Parties) pursuant to which the Collateral Manager may agree, subject to its obligations under the Trust Deed, the Collateral Management Agreement and applicable law, to take (or not take) actions with respect to such holders of the Notes or other persons that it will not take (or, as applicable, take) with respect to other holders of the Notes or other persons (including providing additional items of information to such persons, including holders of Notes, that are not provided to other persons, including other holders of Notes).

In the selection of brokers and dealers and in effecting transactions, the Collateral Manager's objective is to seek to obtain the best execution on transactions effected for the Issuer. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors will be considered as they are deemed relevant. These factors will include the Collateral Manager's knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance and settlement capabilities, as well as the reputation and perceived soundness of the broker or dealer selected and other brokers or dealers considered; the Collateral Manager's knowledge of actual or apparent operational problems of any broker or dealer; the broker or dealer's execution services rendered on a continuing basis and in other transactions; the reasonableness of spreads or commissions; and the research services and products furnished by the broker or dealer, if any.

Although the Collateral Manager generally seeks or will seek competitive commission rates and dealer spreads, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialised services on the part of the broker or dealer involved and would thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Subject to the objective of obtaining the best execution, the Collateral Manager may take into consideration research furnished to the Collateral Manager or other Collateral Manager Related Parties by brokers and dealers that are not Affiliates of the Collateral Manager. Such research may be used by the Collateral Manager or other Collateral Manager Related Parties in connection with its and their other advisory activities or investment operations. The Collateral Manager may aggregate sales and purchase orders of securities placed with respect to the assets with similar orders being made simultaneously for Collateral Manager Related Parties if, subject to the standard of care set out in the Collateral Management Agreement, the Collateral Manager considers that such aggregation is in the best interests of the various accounts. In the event that a sale or purchase of a Collateral Debt Obligation occurs as part of any aggregate sale or purchase order, the objective of the Collateral Manager (and any Collateral Manager Related Party involved in such transactions) shall be to allocate the executions among the relevant accounts in an equitable manner (taking into account the respective investment objectives, liquidity and other constraints imposed by the capacity and investment guidelines of each account). There is no certainty that allocation processes will in fact result in fair allocations, or that they will be allocated to all accounts or allocated equally among accounts participating in the aggregated transaction or according to any established standard.

Under the Collateral Management Agreement, the Collateral Manager will agree to exercise the degree of skill and attention required thereunder. However, the Collateral Manager will assume no responsibility under the Collateral Management Agreement other than to render the specific services called for from the Collateral Manager under the Collateral Management Agreement.

The Collateral Manager's duties and obligations under the Collateral Management Agreement are owed to: (i) the Issuer; (ii) to the extent of the Issuer's security assignment of its rights under the Collateral Management Agreement, the Trustee; and (iii) subject to the terms of the Collateral Management Agreement, to the other parties to the Collateral Management Agreement or third party beneficiaries thereunder. Other than pursuant to arrangements described above in relation to agreements with one or more holders of the Notes or other persons, the Collateral Manager is not in contractual privity with, and owes no separate duties or obligations to, any of the holders of the Rated Notes or the Subordinated Notes in their capacity as Noteholders.

Restrictions on the Discretion of the Collateral Manager in Order to Comply with Risk Retention

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

In particular, if, at any time, the deposit of Trading Gains into the Principal Account would, in the sole discretion of the Collateral Manager cause (or would be likely to cause) a Retention Deficiency, such Trading Gains which would have been deposited into the Principal Account and designated for reinvestment or used to redeem the Notes in accordance with the Principal Proceeds Priority of Payments will instead be deposited into the Interest Account to be distributed as Interest Proceeds if the reinvestment of such amount would, in the sole discretion of the Collateral Manager, cause (or would be likely to cause) a Retention Deficiency in accordance with the Priorities of Payments. In addition, the Collateral Manager is not permitted to reinvest in Substitute Collateral Debt Obligations where such reinvestment would cause a Retention Deficiency. As a result, the Collateral Manager may be prevented from reinvesting available proceeds in Collateral Debt Obligations in circumstances where such reinvestment would cause (or would be likely to cause) a Retention Deficiency and therefore the Aggregate Principal Balance of Collateral Debt Obligations securing the Notes may be less than what would have otherwise have been the case if such amounts had been reinvested in Collateral Debt Obligations.

Also, the Issuer may not issue further Notes without the Retention Holder subscribing for sufficient Subordinated Notes so as to ensure a Retention Deficiency does not occur.

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

Other Potential Conflicts of Interest

The Collateral Manager has had communications with holders and other parties interested in the transaction and may have communications with other holders and/or other parties interested in the transaction during the term of the transaction, in each case, relating to the composition of the Issuer's investments and/or other matters relating to the Issuer. There can be no assurances that such communications will not influence the Collateral Manager's decisions relating to the Issuer's assets or other matters with respect to which the Collateral Manager has discretion. Further, the Collateral Manager may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect owners of Notes) in respect of obligations being considered for acquisition by the Issuer. Some of those same third parties may have interests adverse to those of the holders of Notes and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or Notes. This Offering Circular does not contain any information regarding the individual Collateral Obligations that will comprise the Issuer's initial portfolio or that may secure the Notes from time to time.

Conflicts Relating to Acquisition by Brookfield Asset Management

On 30 September 2019, Brookfield Asset Management Inc. ("**Brookfield**") completed the acquisition of up to 62% of the business of Oaktree Capital Group. LLC ("**OCG**", an indirect controlling parent of the Collateral Manager, which together with certain related transactions results in Brookfield owning a majority economic interest in the Collateral Manager's business. Brookfield is a leading global alternative asset manager with over $350 billion in assets under management. It is expected that both Brookfield and the Collateral Manager will continue to operate their respective investment businesses largely independently, with each remaining under its current brand and led by its existing management and investment teams, and Brookfield and the Collateral Manager managing their investment operations independently of each other pursuant to an information barrier.

The Collateral Manager's parent and Brookfield have agreed to post-closing governance terms under which the Collateral Manager's current management will maintain actual control and management of the Collateral Manager as a registered investment adviser during an initial period of up to seven years following the closing of the transaction (or ending earlier if certain conditions are triggered). After this initial period, Brookfield will have the right to appoint a majority of the Collateral Manager's parent's board of directors and assume control of its business if it chooses to do so. If and when control shifts to Brookfield following this initial period, the Collateral Manager will, to the extent required by the Transaction Documents and the U.S. Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), seek consent from the Issuer's Directors to approve the deemed assignment of its collateral management agreement with the Issuer for purposes of the Advisers Act.

So long as the information barrier remains in place, Brookfield, the funds and accounts managed by Brookfield (collectively, "**Brookfield Accounts**"), and their respective portfolio companies will not be treated as "affiliates" of the Collateral Manager or the Issuer for purposes of this Offering Circular or the Transaction Documents, nor for purposes of the Collateral Manager's identification and management of conflicts of interest (*e.g.*, allocation of investment opportunities, transactions or services with the Issuer and/or other funds and accounts that invest in, and in some cases, have priority ahead of the Issuer with respect to, securities, obligations or other investments eligible for purchase by the Issuer, including accounts formed for a single investment opportunity (collectively, "**Other Oaktree Funds**").

There is (and in the future will continue to be) overlap in investment strategies and investments pursued by the Collateral Manager and Brookfield. Nevertheless, the Collateral Manager does not expect to coordinate or consult with Brookfield with respect to investment activities and/or decisions. While this absence of coordination and consultation, and the information barrier described above, will in some respects serve to mitigate conflicts of interests between the Collateral Manager and Brookfield, these same factors also will give rise to certain conflicts and risks in connection with Brookfield's and the Collateral Manager's investment activities, and make it more difficult to mitigate, ameliorate or avoid such situations. For example, because neither Brookfield nor the Collateral Manager are expected to coordinate or consult with the other about investment activities and/or decisions made by the other, and neither Brookfield nor the Collateral Manager is expected to be subject to any internal approvals over its investment activities and decisions by any person who would have knowledge and/or decision-making control of the investment decisions of the other, it is expected that Brookfield will pursue investment opportunities for Brookfield Accounts which are suitable for the Issuer or Other Oaktree Funds, but

which are not made available to the Issuer or such Other Oaktree Funds. Brookfield and the Issuer may also compete for the same investment opportunities. Such competition may adversely impact the purchase price of investments. Brookfield will have no obligation to, and generally will not, share investment opportunities that may be suitable for the Issuer with the Collateral Manager, and the Collateral Manager and the Issuer will have no rights with respect to any such opportunities. In addition, Brookfield will not be restricted from forming or establishing new Brookfield Accounts, such as additional funds or successor funds, some of which may directly compete with the Issuer for investment opportunities. Any such Brookfield fund or other Brookfield Account will be permitted to make investments of the type that are suitable for the Issuer without the consent of the Issuer or the Collateral Manager. The Issuer and Brookfield Accounts may purchase or sell an investment from each other. Brookfield and the Collateral Manager will seek to ensure that any such transaction is executed on an arm's length basis and subject to approvals, if any, that may be required from a regulatory or other perspective. In addition, from time to time Brookfield Accounts are expected to hold an interest in an investment (or potential investment), or subsequently purchase (or sell) an interest in an investment. In such situations, Brookfield Accounts could benefit from the Issuer's activities. Conversely, the Issuer could be adversely impacted by Brookfield's activities. In addition, as a result of different investment objectives and views, it is expected that Brookfield will manage certain of its funds' interests in a way that is different from the Issuer (including, for example, by investing in different portions of an issuer's capital structure, short selling securities, voting securities in a different manner, and/or selling its interests at different times than the Issuer), which could adversely impact the Issuer's interests. Brookfield and its affiliates are also expected to take positions, give advice and provide recommendations that are different, and potentially contrary to those which are taken by, given to or provided to the Issuer, and hold interests that potentially are adverse to those of the Issuer. The Issuer and any such Brookfield Account will have divergent interests, including the possibility that the interest of the Issuer is subordinated to or otherwise adversely affected by virtue of such Brookfield Account's involvement and actions related to the applicable investment, which could adversely impact the Issuer's interests.

Brookfield and the Collateral Manager are likely to be deemed to be affiliates for purposes of certain laws and regulations, notwithstanding their operational independence and information barrier. As such, Brookfield and the Collateral Manager likely will need to aggregate certain investment holdings, including holdings of the Issuer, for certain securities law purposes (including securities law reporting, short-swing transactions and time or volume restrictions under Rule 144) and other regulatory purposes (including (i) public utility companies and public utility holding companies; (ii) bank holding companies; (iii) owners of broadcast licenses, airlines, railroads, water carriers and trucking concerns; (iv) casinos and gaming businesses; and (v) public service companies (such as those providing gas, electric or telephone services)). Consequently, Brookfield's activities could result in earlier disclosure of the Issuer's investments and restrictions on transactions by the Issuer, affect the prices of the Issuer's investments or the ability of the Issuer to dispose of its investments, subject the Issuer to penalties or other regulatory remedy (including disgorgement of profits), or otherwise create conflicts of interests for the Issuer. In conducting any of the activities described herein, Brookfield will be acting for its own account or on behalf of Brookfield Accounts and act in its or their own interest, without regard to the interests of the Issuer.

The potential conflicts of interest described herein may be magnified as a result of the lack of information sharing and coordination between Brookfield and the Collateral Manager. The Issuer's investment team is not expected to be aware of, and will not have the ability to manage, such conflicts. This will be the case even if it is aware of Brookfield's investment activities through public information.

Brookfield and the Collateral Manager may decide at any time, and without notice, to remove or modify the information barrier between Brookfield and the Collateral Manager. In the event that the information barrier is removed or modified, it would be expected that Brookfield and the Collateral Manager will adopt certain protocols designed to address potential conflicts and other considerations relating to the management of their investment activities in a different framework.

Breaches (including inadvertent breaches) of the information barrier and related internal controls by Brookfield and/or the Collateral Manager could result in significant consequences to the Collateral Manager (and Brookfield) as well as have a significant adverse impact on the Issuer, including (among others) potential regulatory investigations and claims for securities laws violations in connection with the Issuer's investment activities. These events could have adverse effects on the Collateral Manager's reputation, result in the imposition of regulatory or financial sanctions, negatively impact the Collateral

Manager's ability to provide investment management services to the Issuer, and result in negative financial impact to the Issuer's investments.

Brookfield will not have any obligation or other duty to make available for the benefit of the Issuer any information regarding the activities, strategies or views of Brookfield or any Brookfield Accounts. Furthermore, to the extent that the information barrier is removed or otherwise ineffective and the Collateral Manager has the ability to access analysis, models and/or information developed by Brookfield and its personnel, the Collateral Manager will not be under any obligation or other duty to access such information or effect transactions on behalf of the Issuer or any Other Oaktree Fund in accordance with such analysis and models, and in fact may be restricted by securities laws from doing so. The Issuer may make investment decisions that differ from those it would have made if the Collateral Manager had pursued such information, which may be disadvantageous to the Issuer.

Brookfield or an affiliate thereof may be retained by the Collateral Manager to provide a variety of different non-investment management services to the Issuer or its portfolio companies that would otherwise be provided by an independent third-party. Such persons may provide such services at different rates than those charged to the Issuer or its affiliates than it will charge to the Brookfield funds. While the Collateral Manager will determine in good faith what rates and expenses it believes are acceptable for the services being provided to the Issuer, there can be no assurances that the rates and expenses charged to the Issuer will not be greater than those that would be charged in alternative circumstances. In addition, the Collateral Manager may be retained by Brookfield or a portfolio company thereof to perform services that it also provides to the Issuer. The rates charged by the Collateral Manager for such services to Brookfield are expected to be different than those charged to the Issuer, and the rates charged to Brookfield may be less than the rates charged to the Issuer.

Each investor acknowledges that these conflicts do not purport to be a complete list or explanation of all actual or potential conflicts that may arise as a result of the Collateral Manager's acquisition by Brookfield, and additional conflicts not yet known by Brookfield or the Collateral Manager may arise in the future and that conflicts will not necessarily be resolved in favor of the Issuer's interests. Because of the extensive scope of both Brookfield's and the Collateral Manager's activities and the complexities involved in combining certain aspects of existing businesses, the policies and procedures to identify and resolve such conflicts of interest will continue to be developed over time. Rating Agencies Fitch and S&P have been engaged by the Issuer to provide their ratings on the Rated Notes. Either Rating Agency may have a conflict of interest where, as is the case with the ratings of the Rated Notes (with the exception of unsolicited ratings), the issuer of a security pays the fee charged by the Rating Agency for its rating services.

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

Barclays Bank PLC and its Affiliates (the "**Barclays 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 Barclays 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, Collateral Management Agreement and the Risk Retention Letter. These may be influenced by discussions that the Initial Purchaser may have or have had with investors and there is no assurance that investors would agree with the views of one another or that the resulting modifications will not adversely affect the performance of the Notes or any particular Class of Notes.

Barclays Bank PLC 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. Barclays Bank PLC 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). Barclays Bank PLC expects to earn fees and other revenues from these transactions.

The Barclays Parties are part of a global investment banking and securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The financial services that the Barclays Parties may

provide also include financing and, as such, the Barclays Parties may have and/or may provide financing to Collateral Manager Related Persons and/or their respective Affiliates. In carrying out its obligations as Initial Purchaser or any other transaction party, no Barclays 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 Barclays Parties may have positions in and will likely have placed or underwritten certain of the Collateral Debt Obligations (or other obligations of the Obligors of Collateral Debt 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 Debt Obligations. In addition, the Barclays Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Debt Obligations. Each of the Barclays Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the Noteholders or any other party. Moreover, the Issuer may invest in loans of Obligors Affiliated with the Barclays Parties or in which one or more Barclays Parties hold an equity or participation interest. The purchase, holding or sale of such Collateral Debt Obligations by the Issuer may increase the profitability of the Barclays Parties' own investments in such Obligors.

From time to time the Collateral Manager will purchase from or sell Collateral Debt Obligations through or to the Barclays Parties (including a portion of the Collateral Debt Obligations to be purchased on or prior to the Issue Date) and one or more Barclays Parties may act as the selling institution with respect to Participation Agreements and/or a counterparty under a Hedge Agreement. The Barclays Parties may act as Initial Purchaser and/or initial purchaser or collateral 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 Barclays 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, Barclays Parties and employees or customers of the Barclays Parties may actively trade in and/or otherwise hold long or short positions in the Notes, Collateral Debt Obligations, Collateral Enhancement Obligations, Exchanged Securities and Eligible Investments or enter into transactions similar to or referencing the Notes, Collateral Debt Obligations, Collateral Enhancement Obligations, Exchanged Securities and Eligible Investments or the obligors thereof for their own accounts and for the accounts of their customers. If a Barclays 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 Barclays 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 Barclays Party may be willing to purchase Notes, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which it may be willing to sell the Notes.

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

The Initial Purchaser or its Affiliates may have placed or underwritten certain of the Collateral Debt Obligations when such Collateral Debt Obligations were originally issued and may have provided or be providing investment banking services and other services to issuers of certain Collateral Debt Obligations. It is expected that from time to time the Collateral Manager may purchase or sell Collateral Debt Obligations through, from or to the Initial Purchaser or its Affiliates, subject to such procedures and restrictions as are appropriate to comply with applicable law with respect to transactions in which an Affiliate of the Collateral Manager is acting as principal.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of each of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class M 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 of the Notes.

The issue of the €2,000,000 Class X Senior Secured Floating Rate Notes due 2033 (the "**Class X Notes**"), €174,700,000 Class A Senior Secured Floating Rate Notes due 2033 (the "**Class A Notes**"), the €20,000,000 Class B-1 Senior Secured Fixed Rate Notes due 2033 (the "**Class B-1 Notes**"), the €10,800,000 Class B-2 Senior Secured Floating Rate Notes due 2033 (the "**Class B-2 Notes**" and together with the Class B-1 Notes, the "**Class B Notes**"), the €21,500,000 Class C Senior Secured Deferrable Floating Rate Notes due 2033 (the "**Class C Notes**"), the €17,800,000 Class D Senior Secured Deferrable Floating Rate Notes due 2033 (the "**Class D Notes**"), the €15,300,000 Class E Senior Secured Deferrable Floating Rate Notes due 2033 (the "**Class E Notes**" and, together with the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Rated Notes**"), €250,000 Class M Notes due 2033 (the "**Class M Notes**") and €33,700,000 Subordinated Notes due 2033 (the "**Subordinated Notes**" and together with the Rated Notes and the Class M Notes, the "**Notes**") of Arbour CLO VIII Designated Activity Company (the "**Issuer**") was authorised by resolution of the board of Directors of the Issuer dated on or about 6 August 2020.

The Notes are constituted and secured by a trust deed (together with any other security document entered into in respect of the Notes, the "**Trust Deed**") dated 17 August 2020 between (among others) the Issuer and BNY Mellon Corporate Trustee Services Limited in its capacity as trustee for the Noteholders and as security trustee for the Secured Parties (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed).

These terms and conditions of the Notes (the "**Conditions of the Notes**" or the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) an agency agreement dated 17 August 2020 (the "**Agency Agreement**") between, among others, the Issuer, The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar and transfer agent (respectively, the "**Registrar**" and the "**Transfer Agent**" and the Transfer Agent together with the Registrar, the "**Transfer Agents**" and each a "**Transfer Agent**"), which terms shall include any successor or substitute registrar or transfer agent, respectively, appointed pursuant to the terms of the Agency Agreement, The Bank of New York Mellon, 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 Agreement) and the Trustee; (b) a collateral management agreement dated 17 August 2020 (the "**Collateral Management Agreement**") between Oaktree Capital Management (Europe) LLP 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 Agreement), the Issuer, The Bank of New York Mellon SA/NV, Dublin Branch as collateral administrator and information agent (respectively the "**Collateral Administrator**" and "**Information Agent**", which terms shall include any successor collateral administrator or information agent respectively, appointed pursuant to the terms of the Collateral Management Agreement), the Custodian and the Trustee; (c) a corporate services agreement dated 19 August 2019 (the "**Corporate Services Agreement**") between the Issuer and TMF Administration Services Limited as corporate services provider (the "**Corporate Services Provider**", which term shall include any successor corporate services provider appointed pursuant to the terms of the Corporate Services Agreement) and (d) a subscription agreement dated as of 17 August 2020 (the "**Subscription Agreement**") between the Issuer and the Initial Purchaser. Copies of the Trust Deed, the Agency Agreement and the Collateral Management Agreement are available for inspection during usual business hours at the registered office of the Issuer (presently at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland) and at the specified offices of the Transfer Agents 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 the Agency Agreement and the Collateral Management Agreement applicable to them.

The UK withdrew from and ceased to be a member state of the EU at 11:00 p.m. GMT on 31 January 2020. The negotiated withdrawal agreement entered into between the UK and the EU provides for a transition period, commencing on 31 January 2020 and ending at 11.00 p.m. GMT on 31 December 2020, unless extended by a

single decision for up to one or two years (such period, the "**Transition Period**"). Unless otherwise provided in the negotiated withdrawal agreement, EU law will be applicable to and in the UK during the transition period. Accordingly, during the Transition Period any references in these Conditions or any Transaction Document to the "EU" and its "Member States" in the context of EU legislation and the application thereof shall be interpreted so as to include the UK (except where expressly indicated otherwise).

1. Definitions

"**Accounts**" means the Principal Account, the Unused Proceeds Account, the Interest Account, the Payment Account, the Expense Reserve Account, the Collateral Enhancement Account, the First Period Reserve Account, each Counterparty Downgrade Collateral Account, the Contributions Account, the Custody Account, the Interest Smoothing Account, each Hedge Termination Account, each Asset Swap Account, the Unfunded Revolver Reserve Account and the Supplemental Reserve Account, in each case with its books and records held within the United Kingdom.

"**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 Business Day 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, *provided* that, for the purposes of calculating interest payable in accordance with Condition 6(e)(iii) (*Calculation of Class B-1 Fixed Amounts*) the Payment Date shall not be adjusted if the relevant Payment Date falls other than on a Business Day.

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

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

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

(c) in relation to a Defaulted Obligation or a Deferring Obligation, the lesser of (i) its Fitch Collateral Value and (ii) its S&P Collateral Value, *provided* that the Adjusted Collateral Principal Amount of a Defaulted Obligation that has been a Defaulted Obligation for a continuous period of more than three years after the date on which it became a Defaulted Obligation and continues to be a Defaulted Obligation on such date of determination shall be zero; plus

(d) 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; plus

(e) other than in respect of Defaulted Obligations, any unpaid Purchased Accrued Interest in respect of the Collateral Debt Obligations (if applicable, converted into Euro at the Applicable Exchange Rate); minus

(f) the Excess CCC/Caa Adjustment Amount,

provided, *further*, that:

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

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

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority including except as expressly set out otherwise below, any VAT thereon and to the extent that such amounts relate

to costs and expenses, such VAT to be limited to irrecoverable VAT (whether payable to that party or the relevant tax authority):

(a) on a *pro-rata* and *pari passu* basis, to (i) the Agents pursuant to the Agency Agreement (including, without limitation, payments to the Account Bank and the Custodian of all costs and expenses reasonably incurred by the Account Bank and the Custodian in relation to the accounts of the Issuer held with the Account Bank and the Custodian arising directly from the imposition of negative deposit interest rates by the European Central Bank or any other applicable rate setting authority) and, in the case of the Information Agent and Collateral Administrator, pursuant to the Collateral Management Agreement (including, by way of indemnity); (ii) the Corporate Services Provider pursuant to the Corporate Services Agreement; and (iii) Euronext Dublin or such other stock exchange or exchanges upon which any of the Notes may be listed from time to time;

(b) on a *pro-rata* and *pari passu* basis, to each Hedge Counterparty pursuant to any Reporting Agreement (including, by way of indemnity);

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

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

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

(iii) to the Collateral Manager pursuant to the Collateral Management Agreement (including but not limited to indemnities provided for therein and all ordinary expenses, costs, fees, out-of-pocket expenses, brokerage fees and the costs and expenses of agents providing services to the Collateral Manager, in each case incurred by the Collateral Manager in relation to its obligations pursuant to the Transaction Documents), but excluding any Collateral Management Fees or any VAT payable thereon and excluding any amounts in respect of Collateral Manager Advances;

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

(v) on a *pro rata* basis to any other Person in respect of any other fees or expenses contemplated in (A) these Conditions and in the Transaction Documents (including but not limited to the costs of entering into any Hedge Agreements and associated legal costs, and the costs relating to providing Noteholders with the information required to comply with their passive foreign investment company and controlled foreign corporation reporting obligations) and (B) any other documents delivered pursuant to or in connection with the issue and sale of the Notes, including, without limitation, an amount up to €10,000 *per annum* in respect of any other fees and expenses not described in sub-paragraph (A) incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for purposes of Noteholder tax jurisdictions;

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

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

(viii) 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); and

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

(d) 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 Rule 17g-5, Rule 17g-10, EMIR, CRA, AIFMD, the Dodd-Frank Act or the Securitisation Regulation;

(ii) on a *pro rata* basis to any other Person (including the Collateral Manager and the Retention Holder) in connection with satisfying the EU Retention and Transparency Requirements as applicable to the Issuer only, in each case including any costs or fees related to additional due diligence, transparency or reporting requirements;

(iii) the costs of complying with FATCA and CRS Compliance Costs;

(iv) any pecuniary sanctions levied on the Issuer arising under Article 32 of the Securitisation Regulation in relation to a failure by the Issuer to meet the requirements of Article 7 of the Securitisation Regulation; and

(v) reasonable fees, costs and expenses of the Issuer and the Collateral Manager including reasonable attorney's 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);

(e) any Refinancing Costs (to the extent not already covered in paragraph (a) above and to the extent not already paid as Trustee Fees and Expenses); and

(f) on a *pro rata* basis payment of any indemnities (to the extent not already covered in paragraphs (a) to (d) above) 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 (c)(i) above other than in the order required by paragraph (c) above if the Collateral Manager, Trustee 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; and (y) the Collateral Manager may, if it considers it in the interests of the Issuer, direct payment of one or more of the amounts referred to in paragraph (c) above in priority to the other amounts referred to in paragraph (c) above.

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

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

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

(i) of such Person;

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

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

For the purposes of this definition (i) "control" of a Person shall mean the power, direct or indirect, to: (A) vote more than 50 per cent. of the securities having ordinary voting power for the election of directors of such Person; or (B) direct or cause the direction of the management and policies of such Person whether by contract or otherwise; and (ii) no entity shall be deemed an "Affiliate" of, or "Affiliated" with: (A) the Issuer, solely because the Corporate Services Provider or any of its Affiliates acts as corporate services provider or share trustee for such entity; or (B) the Collateral Manager or its Affiliates, solely because the Collateral Manager or any of its Affiliates provides collateral management or advisory services to such entity, unless either of the foregoing paragraphs (a) or (b) is satisfied as between such entity and the Collateral Manager or its Affiliate (as applicable).

Notwithstanding the foregoing, neither Brookfield Asset Management Inc. ("**Brookfield**") nor any of its Affiliates or any portfolio companies of any of the foregoing shall be deemed to be an "Affiliate" of the Collateral Manager or any of its Affiliates or portfolio companies of any of the foregoing, *provided* that either an information barrier is in place or there is no coordination or consultation in respect of investment decisions between Brookfield and the Collateral Manager (in each case, as determined by the Collateral Manager in its discretion and based on the relevant facts and circumstances applicable to each situation). For the avoidance of doubt, any investments in the same or related assets between Brookfield or its Affiliates or portfolio companies and the Collateral Manager any

of its respective Affiliates or portfolio companies in the ordinary course of business shall not be deemed "coordination or consultation" so long as each of Brookfield and the Collateral Manager makes an independent investment decision with respect to such assets.

"**Agent**" means each of the Registrar, the Principal Paying Agent, each Transfer Agent, each Paying Agent, the Calculation Agent, the Account Bank, the Custodian, the Collateral Administrator, the Information Agent, and each of their permitted successors or assigns appointed as agents of the Issuer pursuant to the Agency Agreement or, as the case may be, the Collateral Management Agreement and "**Agents**" shall be construed accordingly.

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

(a) the Aggregate Principal Balance of all Collateral Debt Obligations, save that for the purpose of calculating the Aggregate Principal Balance for the purposes of:

  (i) the Portfolio Profile Tests and the Collateral Quality Tests, the Principal Balance of Defaulted Obligations shall be excluded; and

  (ii) determining whether a Note Event of Default has occurred in accordance with Condition 10(a)(iv) (*Collateral Debt Obligations*), the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value;

(b) the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) and (for the purposes only of calculating the Aggregate Collateral Balance in respect of the compliance by the Retention Holder with the EU Retention Requirements, including whether a Retention Deficiency has occurred, the Contributions Account) and any Eligible Investments which represent Principal Proceeds (excluding, for the avoidance of doubt, any interest accrued on Eligible Investments); and

(c) solely for the purposes of determining compliance with the EU Retention Requirements, including whether a Retention Deficiency has occurred, the Principal Balance of any Exchanged Security and any other debt or equity obligation purchased and held by or on behalf of the Issuer that does not constitute a Collateral Debt Obligation.

For the avoidance of doubt, for the purposes of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the EU Retention Requirements or in determining whether a Retention Deficiency has occurred, the Principal Balance of any Collateral Debt Obligation shall not take into account any adjustments for purchase price or the application of haircuts.

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

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

"**Alternative Base Rate**" means:

(a) an industry benchmark rate that is generally accepted in the financial markets as a replacement benchmark for EURIBOR and/or LIBOR;

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

(c) the most common reference rate other than LIBOR or EURIBOR relied on for the quarterly paying Floating Rate Collateral Debt Obligations included in the Portfolio;

(d) the most common reference rate (not being LIBOR or EURIBOR) relied on by quarterly pay Floating Rate Collateral Debt Obligations issued in the preceding one month;

(e) the most common reference rate, other than EURIBOR, used to determine the floating rate of interest on securities priced or issued in the preceding three months in Euro–denominated collateralised loan obligation transactions or amendments of existing collateralised loan obligation transactions whose collateral consists primarily of broadly syndicated Secured Senior Loans and are subject to EURIBOR and/or LIBOR related supplemental Transaction Documents; and/or

(f) the single reference rate that is used in calculating the interest rate of floating rate notes priced or issued in the preceding six months in at least ten Euro–denominated collateralised loan obligation transactions or amendments of existing collateralised loan obligation transactions whose collateral consists primarily of broadly syndicated Secured Senior Loans and are subject to EURIBOR and/or LIBOR related supplemental Transaction Documents,

which, in each case, (i) may include a Reference Rate Modifier and (ii) is as determined by the Collateral Manager prior to the Payment Date following the date on which the Alternative Base Rate-related supplemental Transaction Documents are proposed (the determination of which may be based, in the Collateral Manager's reasonable judgement, on information provided by any of the Rating Agencies, the Initial Purchaser, or other, similarly situated, nationally recognised firms). Neither the exercise of discretion nor the judgement of the Collateral Manager in connection with the foregoing will be called into question as a result of subsequent events so long as such exercise or judgement was made in a commercially reasonable manner.

"**Annual Obligations**" means Collateral Debt Obligations which in accordance with their terms, at the relevant date of measurement, pay interest less frequently than semi-annually (other than, for the purposes of the Portfolio Profile Tests only, PIK Obligations).

"**Applicable Exchange Rate**" means, in relation to any Asset Swap Obligation, the exchange rate set forth in the relevant Asset Swap Transaction, and in any other case, the Spot Rate.

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

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

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

"**Asset Swap Agreement**" means a 1992 ISDA Master Agreement (Multicurrency-Cross-Border) or a 2002 ISDA Master Agreement (or such other ISDA *pro forma* Master Agreement as may be published by ISDA from time to time), together with the schedule and confirmations relating thereto including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof, each as amended or supplemented from time to time, and entered into by the Issuer with an Asset Swap Counterparty which shall govern one or more Asset Swap Transactions entered into by the Issuer and such Asset Swap Counterparty (including any Replacement Asset Swap Transaction) under which the Issuer swaps cash flows receivable on such Asset Swap Obligations for Euro denominated cash flows from each Asset Swap Counterparty.

"**Asset Swap Counterparty**" means any financial institution with which the Issuer enters into an Asset Swap Transaction, or any permitted transferee, assignee or successor thereof, under the terms of the related Asset Swap Transaction and, in each case, which satisfies, at the time of entry into the Asset Swap Agreement, the applicable Rating Requirement (or whose obligations are guaranteed by a guarantor which satisfies the applicable Rating Requirement at such time) upon the date of entry into such agreement (or in respect of which Rating Agency Confirmation has been obtained on such date).

"**Asset Swap Counterparty Principal Exchange Amount**" means each initial, interim and final exchange amount (whether expressed as such or otherwise) scheduled to be paid by an Asset Swap Counterparty to the Issuer under an Asset Swap Transaction and excluding any Scheduled Periodic Asset Swap Counterparty Payments but including any amounts described as termination payments in the relevant Asset Swap Agreement

which relate to payments to be made as a result of the relevant Asset Swap Obligation being sold or becoming subject to a credit event or debt restructuring.

"**Asset Swap Issuer Principal Exchange Amount**" means each initial, interim and final exchange amount (whether expressed as such or otherwise) scheduled to be paid to the Asset Swap Counterparty by the Issuer under an Asset Swap Transaction and excluding any Scheduled Periodic Asset Swap Issuer Payments but including any amounts described as termination payments in the relevant Asset Swap Agreement which relate to payments to be made as a result of the relevant Asset Swap Obligation being sold or becoming subject to a credit event or debt restructuring.

"**Asset Swap Obligation**" means any Collateral Debt Obligation which is not denominated or drawn in Euro and which is, or will no later than the settlement date thereof become, the subject of an Asset Swap Transaction.

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

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

"**Asset Swap Termination Payment**" means the amount payable to an Asset Swap Counterparty by the Issuer upon termination or modification of an Asset Swap Transaction (or a group thereof) excluding any due and unpaid scheduled amounts payable thereunder and any Asset Swap Issuer Principal Exchange Amounts.

"**Asset Swap Termination Receipt**" means the amount payable by an Asset Swap Counterparty to the Issuer upon termination or modification of an Asset Swap Transaction excluding, for purposes other than payment to the applicable Account to which the Issuer shall credit such amounts, the portion thereof representing any due and unpaid scheduled amounts payable thereunder and any Asset Swap Counterparty Principal Exchange Amounts.

"**Asset Swap Transaction**" means each asset swap transaction entered into under an Asset Swap Agreement.

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

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

"**Authorised Integral Amount**" means for (i) the Class M Notes €1.00 and (ii) each other Class of Notes, €1,000.

"**Authorised Officer**" means with respect to the Issuer, any Director of the Issuer or other person as notified in writing 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.

"**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 deposit, 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,

save in the case of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the EU Retention Requirements or in determining whether a Retention Deficiency has occurred, if 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 (i) its Fitch Collateral Value and (ii) its S&P Collateral Value (determined as if such Eligible Investment were a Collateral Debt 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.

"**Bivariate Risk Table**" has the meaning given to it in the Collateral Management Agreement.

"**Bloomberg**" means Bloomberg L.P.

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

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

(b) on which commercial banks and foreign exchange markets settle payments in London and 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.

"**CCC Excess**" means, on any date of determination, an amount equal to the greater of:

(a) the Aggregate Principal Balance of all Fitch CCC Obligations over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance; and

(b) the Aggregate Principal Balance of all S&P CCC Obligations over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance,

provided that:

(i) in determining the Aggregate Collateral Balance for the purposes of paragraph (a) above, the Principal Balance of each Defaulted Obligation will be its Fitch Collateral Value and for the purposes of paragraph (b) above, the Principal Balance of each Defaulted Obligation will be its S&P Collateral Value; and

(ii) in determining which of the Fitch CCC Obligations or S&P CCC Obligations shall be included in the CCC Excess, the Fitch CCC Obligations or S&P CCC Obligations with the lowest Market Value (expressed as a percentage of the Principal Balance of such Collateral Debt Obligations as of such Determination Date) shall be included in the CCC Excess.

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

"**Class A CM Exchangeable Non-Voting Notes**" means the Class A Notes in the form of CM Exchangeable Non-Voting Notes.

"**Class A CM Non-Voting Notes**" means the Class A Notes in the form of CM Non-Voting Notes.

"**Class A CM Voting Notes**" means the Class A Notes in the form of CM Voting Notes.

"**Class A Floating Rate of Interest**" has the meaning given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

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

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

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

"**Class A/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 second Payment Date and which will be satisfied on such Measurement Date if the Class A/B Interest Coverage Ratio is at least equal to 120 per cent.

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

"**Class A/B Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class A/B Par Value Ratio is at least equal to 135.99 per cent.

"**Class B CM Exchangeable Non-Voting Notes**" means the Class B Notes in the form of CM Exchangeable Non-Voting Notes.

"**Class B CM Non-Voting Notes**" means the Class B Notes in the form of CM Non-Voting Notes.

"**Class B CM Voting Notes**" means the Class B Notes in the form of CM Voting Notes.

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

"**Class B-2 Floating Rate of Interest**" has the meaning given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

"**Class C CM Exchangeable Non-Voting Notes**" means the Class C Notes in the form of CM Exchangeable Non-Voting Notes.

"**Class C CM Non-Voting Notes**" means the Class C Notes in the form of CM Non-Voting Notes.

"**Class C CM Voting Notes**" means the Class C Notes in the form of CM Voting Notes.

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

"**Class C Floating Rate of Interest**" has the meaning given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

"**Class C Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the sum of the scheduled interest payments due on the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes on the next following Payment Date (excluding Deferred Interest but including any interest on Deferred Interest). For the purposes of calculating the Class C Interest Coverage Ratio, the expected interest income on Collateral Debt Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected Interest Amounts payable on the Class X Notes, the Class A 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 second Payment Date and which will be satisfied on such Measurement Date if the Class C Interest Coverage Ratio is at least equal to 110 per cent.

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

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

"**Class C Par Value Test**" means the test which will apply as of any Measurement Date on and 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 124.16 per cent.

"**Class D CM Exchangeable Non-Voting Notes**" means the Class D Notes in the form of CM Exchangeable Non-Voting Notes.

"**Class D CM Non-Voting Notes**" means the Class D Notes in the form of CM Non-Voting Notes.

"**Class D CM Voting Notes**" means the Class D Notes in the form of CM Voting Notes.

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

"**Class D Floating Rate of Interest**" has the meaning given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

"**Class D Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the sum of the scheduled interest payments due on the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes on the next following Payment Date (excluding Deferred Interest but including any interest on Deferred Interest). For the purposes of calculating the Class D Interest Coverage Ratio, the expected interest income on Collateral Debt Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected Interest Amounts payable on the Class X Notes, the Class A 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 second Payment Date and which will be satisfied on such Measurement Date if the Class D Interest Coverage Ratio is at least equal to 105 per cent.

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

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

"**Class D Par Value Test**" means the test which will apply as of any Measurement Date on and 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 116.05 per cent.

"**Class E Floating Rate of Interest**" has the meaning given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

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

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

"**Class E Par Value Test**" means the test which will apply as of any Measurement Date on or after the end of the Reinvestment Period only and which will be satisfied on such Measurement Date if the Class E Par Value Ratio is at least equal to 109.84 per cent.

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

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

(a) the Class X Notes;

(b) the Class A Notes;

(c) the Class B-1 Notes;

(d) the Class B-2 Notes;

(e) the Class C Notes;

(f) the Class D Notes;

(g) the Class E Notes;

(h) the Class M Notes; and

(i) the Subordinated Notes,

and "**Class of Noteholders**" and "**Class**" shall be construed accordingly, *provided* that:

(i) notwithstanding that the Class B-1 Notes and the Class B-2 Notes are separate Classes, they shall be treated as a single Class for the purposes of any consent, direction, objection, approval, vote or determination of quorum under the Trust Deed, except as expressly provided in the Trust Deed, with each holder of Class B-1 Notes and Class B-2 Notes voting based on the aggregate Principal Amount Outstanding of Class B Notes held by such holder (other than in relation to a Refinancing, in which case each of the Class B-1 Notes and the Class B-2 Notes shall constitute separate Classes); and

(ii) in the case of the Class A Notes, notwithstanding that the Class A CM Voting Notes, the Class A CM Non-Voting Notes and the Class A CM Exchangeable Non-Voting Notes are in the same Class; they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed in connection with any CM Removal Resolution or CM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Collateral Management Agreement; and

(iii) in the case of the Class B Notes, notwithstanding that the Class B CM Voting Notes, the Class B CM Non-Voting Notes and the Class B CM Exchangeable Non-Voting Notes are in the same Class; they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed in connection with any CM Removal Resolution or CM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Collateral Management Agreement; and

(iv) in the class of the Class C Notes, notwithstanding that the Class C CM Voting Notes, the Class C CM Non-Voting Notes and the Class C CM Exchangeable Non-Voting Notes are in the same Class; they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed in connection with any CM Removal Resolution or CM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Collateral Management Agreement; and

(v) in the case of the Class D Notes, notwithstanding that the Class D CM Voting Notes, the Class D CM Non-Voting Notes and the Class D CM Exchangeable Non-Voting Notes are in the same Class, they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed in connection with any CM Removal Resolution or CM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Collateral Management Agreement.

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

"**Class X Principal Amortisation Amount**" means, for each Payment Date beginning on (and including) the first Payment Date immediately following the Issue Date, the lesser of (i) the Principal Amount Outstanding of the

Class X Notes (for the avoidance of doubt, taking into account all prior principal payments on the Class X Notes); and (ii)(a) in respect of each such Payment Date prior to the occurrence of a Frequency Switch Event, €250,000 and (b) in respect of each such Payment Date following the occurrence of a Frequency Switch Event, €500,000.

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

"**Clearing Systems**" means Euroclear and Clearstream, Luxembourg.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**CM Exchangeable Non-Voting Notes**" means Notes which:

(a) do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of voting on a CM Removal Resolution or a CM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the CM Voting Notes have a right to vote and be so counted; and

(b) are exchangeable into:

(i) CM Non-Voting Notes at any time; or

(ii) CM Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor.

"**CM Non-Voting Notes**" means Notes which:

(a) do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of voting on a CM Removal Resolution or a CM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the CM Voting Notes have a right to vote and be so counted; and

(b) are not exchangeable into CM Voting Notes or CM Exchangeable Non-Voting Notes at any time.

"**CM Removal Resolution**" means any Resolution, vote, written direction or consent of the Noteholders in relation to the removal of the Collateral Manager in accordance with the Collateral Management Agreement.

"**CM Replacement Resolution**" means any Resolution, vote, written direction or consent of the Noteholders in relation to the appointment of a successor Collateral Manager or any assignment or transfer by the Collateral Manager of its rights or obligations, in each case, in accordance with the Collateral Management Agreement.

"**CM Voting Notes**" means Notes which carry a right to vote in respect of and be counted for the purposes of determining a quorum and the result of voting on a CM Removal Resolution or a CM Replacement Resolution and all other matters as to which Noteholders are entitled to vote and are exchangeable at any time upon request by the relevant Noteholder into CM Exchangeable Non-Voting Notes or CM Non-Voting Notes.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**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 Debt Obligations from time to time.

"**Collateral Debt Obligation**" means any debt obligation or debt security purchased 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 the Collateral Manager has determined satisfies the Eligibility Criteria in accordance with the Collateral Management Agreement 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) save for an Issue Date Collateral Debt Obligation which must only satisfy the Eligibility Criteria on the Issue Date. References to Collateral Debt Obligations shall not include Collateral Enhancement Obligations, Eligible Investments or Exchanged Securities. Obligations which are to constitute Collateral Debt 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 Debt 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; and Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to sell but which have not yet settled shall be excluded as Collateral Debt Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests 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 Debt Obligation unless it is an Issue Date Collateral Debt Obligation which does not satisfy the Eligibility Criteria on the Issue Date. A Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) shall only constitute a Collateral Debt Obligation if it is a Restructured Obligation.

"**Collateral Debt Obligation Stated Maturity**" means, with respect to any Collateral Debt 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 Enhancement Account**" means an account in the name of the Issuer, so named and held with the Account Bank.

"**Collateral Enhancement Amount**" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds retained in the Collateral Enhancement Account on the Payment Date in accordance with the Interest Proceeds Priority of Payments, at the sole discretion of the Collateral Manager which amounts shall not exceed €2,500,000 in the aggregate for any Payment Date or an aggregate amount for all applicable Payment Dates of €7,500,000.

"**Collateral Enhancement Obligation**" means any Issue Date Ineligible Portfolio Obligations or Post-Issue Date Ineligible Portfolio Obligations determined by the Collateral Manager in its sole discretion in accordance with and subject to the terms of the Collateral Management Agreement and any warrant, equity security or debt obligation, excluding any Exchanged Security, 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 Debt Obligation; or any warrant, equity security or debt obligation purchased independently or as part of a unit with a Collateral Debt Obligation (but in all cases, excluding, for the avoidance of doubt, the Collateral Debt 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.

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

"**Collateral Enhancement Obligation Proceeds Priority of Payments**" means the priority of payments in respect of Collateral Enhancement Obligation Proceeds set out in Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*).

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

"**Collateral Manager Advance**" means any amount advanced by the Collateral Manager pursuant to Condition 3(m) (*Collateral Manager Advances*) for the purchase or exercise of a Collateral Enhancement Obligation, to the extent there are insufficient funds available in the Collateral Enhancement Account, in its sole discretion, which shall bear interest in accordance with the Collateral Management Agreement at a rate equal to EURIBOR plus 2.00 per cent. *per annum* (where EURIBOR shall be floored at zero for such purpose).

"**Collateral Manager Breach**" has the meaning given to it in the Collateral Management Agreement.

"**Collateral Manager Event of Default**" means each of the events defined as such in Condition 10(f) (*Collateral Manager Events of Default*).

"**Collateral Manager Related Person**" means (a) the Collateral Manager, (b) each of its Affiliates and (c) any director, officer or employee of (i) the Collateral Manager, (ii) its Affiliates or (iii) any fund or account for which the Collateral Manager or any of its Affiliates exercises discretionary voting authority on behalf of such fund or account.

"**Collateral Quality Tests**" means the Collateral Quality Tests set out in the Collateral Management Agreement being each of the following:

(a) for so long as any Notes rated by S&P are Outstanding, (as of the Effective Date and until the expiry of the Reinvestment Period only) the S&P CDO Monitor Test;

(b) so long as any Notes rated by Fitch are Outstanding, as of the Effective Date:

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

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

(iii) the Fitch Minimum Weighted Average Spread Test;

(iv) the Fitch Minimum Weighted Average Fixed Coupon Test; and

(v) the Maximum Obligor Concentration Test

(c) for so long as any of the Rated Notes are Outstanding, the Weighted Average Life Test,

each as defined in the Collateral Management Agreement.

"**Collateral Tax Event**" means at any time, as a result of (i) FATCA; or (ii) 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), interest, discount or premium payments due from the Obligors of any Collateral Debt Obligations (or from Selling Institutions in the case of Participations) in relation to any Due Period becoming properly subject to the imposition of home jurisdiction or foreign direct taxation or withholding tax (other than where such tax is compensated for by a "gross up" provision in the terms of the Collateral Debt Obligation or such requirement to withhold is eliminated pursuant to a double taxation treaty or otherwise so that the Issuer as holder thereof (either directly or indirectly through a Participation) is held completely harmless from the full amount of such withholding tax on an after tax basis) so that the aggregate amount of such withholding tax on all Collateral Debt Obligations in relation to such Due Period is equal to or in excess of 6 per cent. of the aggregate interest, discount or premium payments due (for the avoidance of doubt, excluding any additional payment arising as a result of the operation of any gross up provision) on all Collateral Debt Obligations in relation to such Due Period. In the case of any tax arising in respect of FATCA, a Collateral Tax Event will occur if the aggregate of all prior taxes arising in respect of FATCA and all taxes arising in respect of FATCA expected to be due in the future exceed EUR 750,000.

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

"**Companies Act 2014**" means the Companies Act 2014 (as amended and/or supplemented from time to time) of Ireland.

"**Competent Authority**" means a national competent authority of an EU member state.

"**Conditional Sale Agreement**" means a conditional sale agreement dated 10 July 2020 between the Issuer as seller and the Retention Holder as purchaser in respect of certain Collateral Debt Obligations designated as Originated Assets.

"**Contribution**" has the meaning specified in Condition 2(n) (*Contributions*).

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

"**Contributor**" has the meaning specified in Condition 2(n) (*Contributions*).

"**Controlling Class**" means:

(a) the Class A Notes; or

(b) either:

(i) following redemption and payment in full of the Class A Notes; or

(ii) prior to the redemption and payment in full of the Class A Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of the Class A Notes is held in the form of CM Non-Voting Notes and/or CM Exchangeable Non-Voting Notes,

the Class B Notes; or

(c) either:

(i) following redemption and payment in full of the Class A Notes and the Class B Notes; or

(ii) prior to the redemption and payment in full of the Class A Notes and the Class B Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of the Class A Notes and the Class B Notes is held in the form of CM Non-Voting Notes and/or CM Exchangeable Non-Voting Notes,

the Class C Notes; or

(d) either:

(i) following redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes; or

(ii) prior to the redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of the Class A Notes, the Class B Notes and the Class C Notes is held in the form of CM Non-Voting Notes and/or CM Exchangeable Non-Voting Notes,

the Class D Notes; or

(e) either:

(i) following redemption in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes; or

(ii) prior to the redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes is held in the form of CM Non-Voting Notes and/or CM Exchangeable Non-Voting Notes,

the Class E Notes; or

(f) following redemption in full of all of the Rated Notes, the Subordinated Notes,

provided that:

(i) solely in connection with a CM Removal Resolution or a CM Replacement Resolution, no Notes held in the form of CM Non-Voting Notes and/or CM Exchangeable Non-Voting Notes shall:

(A) constitute or form part of the Controlling Class;

(B) be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution; or

(C) be counted for the purposes of determining a quorum or the result of voting in respect of such CM Removal Resolution or CM Replacement Resolution; and

(ii) any Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person will have no voting rights with respect to any vote (or written direction or consent) in connection with a CM Removal Resolution or with respect to the assignment or transfer by the Collateral Manager of its obligations under the Collateral Management Agreement and will be deemed not to be Outstanding in connection with any such vote, provided, however, that any Notes held by, or on behalf of, the Collateral Manager or any Collateral Manager Related Person will have voting rights (including in respect of written directions and consents and appointment of a successor collateral manager) with respect to all other matters as to which Noteholders are entitled to vote.

For the avoidance of doubt, no Class X Notes or Class M Notes shall constitute or form part of the Controlling Class for any purpose.

"**Controlling Person**" means a person (other than a Benefit Plan Investor) with discretionary authority or control over the assets of the entity or who provides investment advice for a fee with respect to such assets (such as the Collateral Manager), and their respective Affiliates.

"**Corporate Rescue Loan**" means as determined by the Collateral Manager, any interest in a loan or financing facility that is acquired directly by way of assignment, novation or, other than with respect to paragraph (a) below, indirectly by way of sub-participation, which is paying interest and principal if applicable 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 (w) 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 (x) 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 (y) such Corporate Rescue Loan is secured by junior liens on the Debtor's encumbered assets and such Corporate Rescue Loan is fully secured based upon a current valuation or appraisal report; or (z) if the Corporate Rescue Loan or any portion thereof is unsecured, the repayment of such Corporate Rescue Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or

(b) is a credit facility or other advance made available to a company or group not organised under laws of the United States or any State therein in a restructuring or insolvency process (other than the processes described in paragraph (a) above) which (i) constitutes the most senior secured obligations of the entity which is the Obligor thereof and either (ii) ranks *pari passu* in all respects with the other senior unsecured debt of the Obligor, *provided* that such facility is entitled to recover proceeds of enforcement of security shared with the other senior secured indebtedness (*e.g.* bonds) of the Obligor and its subsidiaries in priority to all such other senior secured indebtedness, or (iii) achieves priority over other senior secured obligations of the Obligor 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 that if, at any time, a Collateral Debt Obligation that is a Corporate Rescue Loan in accordance with the provisions above:

(i) has either a Fitch Rating of not less than "CCC+" or an S&P Rating of not less than "CCC+"; and

(ii) either:

(A) the relevant Obligor is no longer a Debtor as described in paragraph (a) above; or

(B) the restructuring or insolvency process referred to in paragraph (b) above pursuant to which such Collateral Debt Obligation was made available is complete and no further restructuring or insolvency process is outstanding in respect of the relevant Obligor,

such Collateral Debt Obligation shall no longer be a Corporate Rescue Loan.

"**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 one or more accounts of the Issuer with the Custodian into which all Counterparty Downgrade Collateral received from a Hedge Counterparty is to be deposited. A separate Counterparty Downgrade Collateral Account shall be opened in respect of each Hedge Counterparty as and when required.

"**Counterparty Downgrade Collateral Account Surplus**" has the meaning given thereto in Condition 3(j)(v) (*Counterparty Downgrade Collateral Account*).

"**Cov-Lite Loan**" means, as determined by the Collateral Manager in accordance with the standard of care specified in the Collateral Management Agreement (which determination will not be called into question as a result of subsequent events), a loan that (i) does not contain any financial covenants; or (ii) may or may not require the Obligor to comply with an Incurrence Covenant, but does not require the Obligor to comply with a Maintenance Covenant; *provided* that:

(a) for all purposes (except for a determination of the S&P Recovery Rate) a loan which either contains a cross-default provision to, or ranks *pari passu* with or senior to, another obligation (including a Revolving Obligation) of the relevant Obligor that requires the Obligor to comply with one or more Maintenance Covenants where such compliance is required either (i) at all times during the life of such other obligation or (ii) only while such other obligation is funded or upon the occurrence of a particular specified event, shall not constitute a Cov-Lite Loan; and

(b) for the avoidance of doubt, if the Underlying Instruments provide for covenants pursuant to paragraph (i) and/or (ii) above, but such covenants only take effect after a specified period of no more than six months following the drawdown of the relevant loan, then such loan shall not be considered a Cov-Lite Loan.

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

"**CPO**" means a commodity pool operator pursuant to CFTC Rule 4.13(a)(3).

"**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.

"**Credit Impaired Obligation**" means, as determined by the Collateral Manager in accordance with the standard of care specified in the Collateral Management Agreement (which determination will not be called into question as a result of subsequent events), (x) for the purposes of the Eligibility Criteria, any Collateral Debt Obligation that has a risk of declining in credit quality or price and (y) for any other purposes, any Collateral Debt Obligation that has a risk of declining in credit quality or price or satisfies the Credit Impaired Obligation Criteria; *provided* that for such other purposes, at any time during a Restricted Trading Period or following the expiry of the Reinvestment Period, a Collateral Debt Obligation will qualify as a Credit Impaired Obligation only if: (i) the Credit Impaired Obligation Criteria are satisfied with respect to such Collateral Debt Obligation; or (ii) the Controlling Class acting by Ordinary Resolution approves the treatment of such Collateral Debt Obligation as a Credit Impaired Obligation.

"**Credit Impaired Obligation Criteria**" means the criteria that will be satisfied in respect of a Collateral Debt Obligation if any of the following apply to such Collateral Debt Obligation, as determined by the Collateral Manager in accordance with the standard of care specified in the Collateral Management Agreement (which determination will not be called into question as a result of subsequent events):

(a) if such Collateral Debt Obligation is a loan obligation or floating rate note, the price of such Collateral Debt Obligation has changed during the period from the date on which the Issuer entered into a binding commitment to purchase such Collateral Debt Obligation to the proposed date the Issuer intends to enter into a binding commitment to sell such Collateral Debt Obligation by a percentage which is (i) in the case of Secured Senior Loans or Secured Senior Bonds, 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 Obligations, 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 (as determined by the Collateral Manager in accordance with the standard of care specified in the Collateral Management Agreement (which determination will not be called into question as a result of subsequent events)) of an Eligible Loan Index or Eligible Bond Index (as applicable) selected by the Collateral Manager over the same period;

(b) if such Collateral Debt Obligation is a Fixed Rate Collateral Debt 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 0.50 per cent. more negative or at least 0.50 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;

(c) the price of such Collateral Debt Obligation has decreased by at least 1 per cent. of the price paid by the Issuer for such Collateral Debt Obligation;

(d) if such Collateral Debt Obligation is a loan obligation or a floating rate note, the spread over the applicable reference rate for such Collateral Debt 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 a floating rate note with a spread (prior to such increase) less than or equal to 2 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation or a floating rate note with a spread (prior to such increase) greater than 2 per cent. but less than or equal to 4 per cent.) or (3) 0.50 per cent. or more (in the case of a loan obligation or a floating rate note with a spread (prior to such increase) greater than 4 per cent.), due to a deterioration in the Obligor's financial ratios or financial results;

(e) the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes divided by cash interest expense as disclosed by the Obligor or the arranging bank for the relevant credit facility, or calculated by a third party in published research reports, or as estimated by the Collateral Manager in accordance with the standard of care specified in the Collateral Management Agreement) of the Obligor of such Collateral Debt Obligation is less than 1 or is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio; or

(f) such Collateral Debt Obligation has been downgraded by at least one rating sub-category 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 Debt Obligation was acquired by or on behalf of the Issuer.

"**Credit Improved Obligation**" means, as determined by the Collateral Manager in accordance with the standard of care specified in the Collateral Management Agreement (which determination will not be called into question as a result of subsequent events), any Collateral Debt Obligation which has improved in credit quality after it was acquired by the Issuer or satisfies the Credit Improved Obligation Criteria *provided* that at any time during a Restricted Trading Period or following the expiry of the Reinvestment Period, a Collateral Debt Obligation will qualify as a Credit Improved Obligation only if: (i) the Credit Improved Obligation Criteria are satisfied with respect to such Collateral Debt Obligation; or (ii) the Controlling Class acting by Ordinary Resolution approves the treatment of such Collateral Debt Obligation as a Credit Improved Obligation.

"**Credit Improved Obligation Criteria**" means the criteria that will be satisfied in respect of a Collateral Debt Obligation if any of the following apply to such Collateral Debt Obligation, as determined by the Collateral Manager in accordance with the standard of care specified in the Collateral Management Agreement (which determination will not be called into question as a result of subsequent events):

(a) the proceeds which would be received with respect to its disposition (excluding such proceeds that constitute Interest Proceeds) of such Collateral Debt Obligation would be at least 101 per cent. of the purchase price paid by the Issuer at the time of its acquisition;

(b) if such Collateral Debt Obligation is a loan obligation, or a 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 Debt Obligation to the date of determination 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 (as determined by the Collateral Manager) of the applicable Eligible Loan Index or Eligible Bond Index (as applicable) selected by the Collateral Manager over the same period;

(c) if such Collateral Debt Obligation is a Fixed Rate Collateral Debt 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 0.50 per cent. more positive or at least 0.50 per cent. less negative than the percentage change in the Eligible Bond Index over the same period, as determined by the Collateral Manager;

(d) if such Collateral Debt Obligation is a loan obligation or a floating rate note, the spread over the applicable reference rate for such Collateral Debt 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 a floating rate note with a spread (prior to such decrease) less than or equal to 2 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation or a floating rate note with a spread (prior to such decrease) greater than 2 per cent. but less than or equal to 4 per cent.) or (3) 0.50 per cent. or more (in the case of a loan obligation or a floating rate note with a spread (prior to such decrease) greater than 4 per cent.) due, in each case, to an improvement in the Obligor's financial ratios or financial results;

(e) the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes divided by cash interest expense as disclosed by the Obligor or arranging bank for the relevant credit facility, or calculated by a third party in published research reports, or as estimated by the Collateral Manager in accordance with the standard of care specified in the Collateral Management Agreement) of the Obligor of such Collateral Debt Obligation is expected to be more than 1.15 times the current year's projected cash flow interest coverage ratio; or

(f) such Collateral Debt Obligation has been upgraded by at least one rating sub-category or put on a watch list for possible upgrade or on positive outlook by either of the Rating Agencies since the date on which such Collateral Debt Obligation was acquired by or on behalf of the Issuer.

"**CRS**" means the common reporting standard more fully described as the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development and any treaty, law or regulation of any other jurisdiction which facilitates the implementation of the Standard including Council Directive 2014/1017/EU on the Administrative Cooperation in the Field of Taxation (DAC II).

"**CRS Compliance**" means compliance with the CRS.

"**CRS Compliance Costs**" means the aggregate cumulative costs of the Issuer in achieving CRS Compliance, including the fees and expenses of the Collateral Manager and any other agent or appointee appointed by or on behalf of the Issuer in respect of the Issuer's CRS Compliance.

"**Current Pay Obligation**" means any Collateral Debt 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 determines, in accordance with the standard of care set out in the Collateral Management Agreement (which determination will not be called into question as a result of subsequent events), that:

(a) the Obligor of such Collateral Debt 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; and

(c) the Market Value of such Collateral Debt Obligation is at least 80 per cent. of its current Principal Balance.

"**Custody Account**" means the custody account or accounts and with its books and records held within the United Kingdom established on the books of the Custodian in accordance with the provisions of the Agency Agreement, which term shall include each securities account relating to each such Custody Account (if any).

"**Defaulted Deferring Mezzanine Obligation**" means a Mezzanine Obligation which by its contractual terms provides for the deferral of interest and is a Defaulted Obligation.

"**Defaulted Hedge Termination Payment**" means any amount payable by the Issuer to a Hedge Counterparty upon termination of any Hedge Transaction in respect of which the Hedge Counterparty is a Defaulting Hedge Counterparty, 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 amounts paid into the Principal Account 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 Debt Obligation as determined by the Collateral Manager in accordance with the standard of care set out in the Collateral Management Agreement based on circumstances at the time of determination (which determination will not be called into question as a result of subsequent events which change the position from that which existed on the date of the original determination):

(a) in respect of which there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto provided that in the case of any Collateral Debt Obligation in respect of which the Collateral Manager has confirmed to the Trustee in writing that, to the knowledge of the Collateral Manager, such default has resulted from non-credit related causes, such Collateral Debt Obligation shall not constitute a "**Defaulted Obligation**" for the greater of five Business Days, seven calendar days 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 Debt Obligation (*provided* that a Collateral Debt Obligation shall not constitute a Defaulted Obligation under this paragraph (b) if it is a Current Pay Obligation) 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 obligation, save for obligations constituting trade debts which the applicable Obligor is disputing in good faith, (and such default has not been cured), but only if:

(i) both such other obligation and the Collateral Debt Obligation are full recourse, unsecured obligations; or

(ii) the other obligation is senior to, or *pari passu* with, the Collateral Debt Obligation in right of payment without regard for any grace period applicable thereto after the passage (other than in the case of a default that in the Collateral Manager's judgment (acting in accordance with the standard of case set out in the Collateral Management Agreement) 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 such Collateral Debt Obligation shall constitute a Defaulted Obligation under this paragraph (c) only until, to the knowledge of the Collateral Manager, such acceleration has been rescinded;

(d) which (i) has a Fitch Rating of "RD", "D", "CC" or below or had such Fitch Rating immediately prior to its withdrawal by Fitch; or (ii) has an S&P Rating of "SD", "D", "CC" or below or had such S&P Rating immediately prior to its withdrawal by S&P;

(e) which the Collateral Manager, acting on behalf of the Issuer, determines, in accordance with the standard of care set out in the Collateral Management Agreement, should be treated as a Defaulted Obligation;

(f) which would be treated as a Current Pay Obligation except that such Collateral Debt Obligation would result in the Aggregate Collateral Balance of all Collateral Debt Obligations which constitute Current Pay Obligations exceeding 2.5 per cent. of the Aggregate Collateral Balance (which for the purpose of calculating the Aggregate Collateral Balance, the Principal Balance of each Defaulted Obligation shall be the lesser of its Fitch Collateral Value and its S&P Collateral Value);

(g) in respect of a Collateral Debt 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;

(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 (A) a Fitch Rating of "RD", "D", "CC" or below or had such Fitch Rating prior to its withdrawal by Fitch or (B) an S&P Rating of "SD", "D", "CC" or below or in either case had such S&P Rating prior to its withdrawal by S&P; or

(h) if the Obligor thereof offers holders of such Collateral Debt Obligation a new security, obligation or package of securities or obligations that amount to a diminished financial obligation (such as preferred or common stock, or debt with a lower coupon or 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 if such new obligation is (i) a Restructured Obligation; and (ii) such Restructured Obligation does not otherwise constitute a Defaulted Obligation pursuant to any other paragraph of the definition hereof,

provided that: (i) a Collateral Debt Obligation which is (or, in the case of a Participation, the underlying obligation is) a Corporate Rescue Loan shall constitute a Defaulted Obligation if such Corporate Rescue Loan satisfies this definition of "**Defaulted Obligation**" other than paragraphs (b) and (h) hereof, *provided further* that if the Aggregate Collateral Balance of all Collateral Debt Obligations which constitute Corporate Rescue Loans exceeding 5 per cent. of the Aggregate Collateral Balance or, in the case of Corporate Rescue Loans of a single Obligor, the Aggregate Collateral Balance of such Corporate Rescue Loans exceeding 2 per cent. of the Aggregate Collateral Balance, in each case, shall also be treated as Defaulted Obligations); (ii) save in the case of paragraph (f) above, a Collateral Debt Obligation which is a Current Pay Obligation shall not constitute a Defaulted Obligation; and (iii) any Collateral Debt 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 amounts paid into the Principal Account in respect of such Defaulted Obligation for so long as it is a Defaulted Obligation, minus the sum of (a) the Principal Balance of such Defaulted Obligation outstanding immediately prior to receipt of such amounts and (b) any Purchased Accrued Interest in respect of such Defaulted Obligation.

"**Defaulting Hedge Counterparty**" means a Hedge Counterparty which is either:

(a) the "Defaulting Party" in respect of an "Event of Default" (each as such terms are defined in the applicable 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 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 Hedge Agreement.

"**Deferred Interest**" has the meaning given thereto in Condition 6(c) (*Deferral of Interest*).

"**Deferred Senior Collateral Management Amounts**" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Deferred Subordinated Collateral Management Amounts**" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Deferring Obligation**" means a PIK Obligation that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon:

(a) with respect to Collateral Debt Obligations that have a Fitch Rating of at least "BBB-" or an S&P Rating of at least "BBB-", for the shorter of two consecutive accrual periods or one year; and

(b) with respect to Collateral Debt Obligations that have a Fitch Rating of "BB+" or below or an S&P Rating of "BB+" 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 Debt Obligation**" means a Collateral Debt 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 reborrowing of any amount previously repaid; but any such Collateral Debt Obligation will be a Delayed Drawdown Collateral Debt 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 a Note Event of Default, five Business Days prior to the applicable Redemption Date.

"**Directors**" means Martin Carr and Stephen Healy or such person(s) who may be appointed as Director(s) of the Issuer from time to time.

"**Discount Obligation**" means any Collateral Debt Obligation that is not a Swapped Non-Discount Obligation and that the Collateral Manager determines:

(a) in the case of any Floating Rate Collateral Debt Obligations, is acquired by the Issuer for a purchase price that is lower than 80 per cent. of the Principal Balance of such Collateral Debt Obligation, *provided* that such Collateral Debt Obligation shall cease to be a Discount Obligation at such time as the Market Value of such Collateral Debt Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Debt Obligation equals or exceeds 90 per cent. of the Principal Balance of such Collateral Debt Obligation; or

(b) in the case of any Fixed Rate Collateral Debt Obligation, is acquired by the Issuer for a purchase price that is lower than 75 per cent. of the Principal Balance of such Collateral Debt Obligation, *provided* that such Collateral Debt Obligation shall cease to be a Discount Obligation at such time as the Market Value of such Collateral Debt Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Debt Obligation, equals or exceeds 85 per cent. of the Principal Balance of such Collateral Debt Obligation,

provided that:

(i) where the Principal Balance of a Collateral Debt Obligation is partially composed of a Discount Obligation, any sale, repayment or prepayment in respect of such Collateral Debt Obligation will be applied *pro rata* to (x) the discounted portion of such Collateral Debt Obligation and (y) the non-discounted portion of such Collateral Debt Obligation; and

(ii) if such Collateral Debt Obligation 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.

"**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 Debt 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 Debt Obligation:

(a) except as provided in paragraph (b) below, its country of organisation or incorporation; or

(b) the jurisdiction and the country in which the Collateral Manager determines in accordance with the standard of care set out in the Collateral Management Agreement, a substantial portion of such Obligor's operations are located or from which the main 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).

"**Due Period**" means (i) with respect to the first Payment Date, the period commencing on and including the Issue Date, to and including the last Business Day of the calendar month preceding the first Payment Date; and (ii) with respect to any other Payment Date, the period commencing on and including the day immediately following the last day of the previous Due Period and ending (a) in the case of the Due Period immediately preceding the Payment Date that is the Redemption Date of any Note or an Unscheduled Payment Date, on and including the Business Day preceding such Payment Date and (b) in any other case, on and including the last Business Day of the calendar month preceding such Payment Date.

"**Effective Date**" means the earlier of:

(a) the date designated for such purpose by the Collateral Manager by prior written notice to the Trustee, the Issuer, the Collateral Administrator and the Rating Agencies pursuant to the Collateral Management Agreement, subject to the Effective Date Determination Requirements being satisfied on that date; and

(b) 15 March 2021 (or, if such day is not a Business Day, the next following Business Day).

"**Effective Date Determination Requirements**" means, as determined by the Collateral Administrator in consultation with the Collateral Manager as at the Effective Date (i) each of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (save for the Interest Coverage Tests and the Class E Par Value Test) being satisfied on such date, (ii) the Issuer having acquired or having entered into binding commitments to acquire Collateral Debt 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 Debt Obligations subsequent to the Issue Date which have not been reinvested may, at the election of the Collateral Manager, be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its (i) S&P Collateral Value and (ii) Fitch Collateral Value) and (iii) the Aggregate Collateral Balance being equal to or exceeding the Target Par Amount by such date (*provided* that, for the purposes of determining the Aggregate Collateral Balance as provided above, the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be its Fitch Collateral Value).

"**Effective Date Rating Event**" means either:

(a) both:

(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 any of 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) Rating Agency Confirmation has not been obtained for the Rating Confirmation Plan following a request therefor from the Collateral Manager; or

(b) the Effective Date S&P Condition not being satisfied and, following a request thereof from the Collateral Manager after the Effective Date, Rating Agency Confirmation from S&P not having been received following the Effective Date,

provided that any downgrade or withdrawal of any of the Initial Ratings of the Rated 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 Agreement.

"**Effective Date S&P Condition**" means a condition that will be satisfied if, on or after the Effective Date, S&P has confirmed in writing to the Issuer (or has been deemed to confirm) (which confirmation may be in the form of an email to the Issuer or the Collateral Manager or a press release), the Trustee and the Collateral Manager its initial rating of each Class of Rated Notes; *provided* that the Effective Date S&P Condition will be deemed to be satisfied if S&P makes a public announcement or informs the Issuer, the Collateral Manager and the Trustee in writing (including by means of email notification or a press release) that (i) it believes satisfaction of the Effective Date S&P Condition is not required or (ii) its practice is not to give such confirmation.

"**Effective Date Target Ratio**" means the ratio (expressed as a percentage) obtained by dividing (a) an amount equal to the Unadjusted Reinvestment Target Par Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"**Electronic Resolution**" means any Resolution of the Noteholders of the relevant Class passed by way of electronic consents given through the relevant Clearing System(s) (in a form satisfactory to the Trustee), as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and defined in, the Trust Deed.

"**Eligibility Criteria**" means the Eligibility Criteria specified in the Collateral Management Agreement which are required to be satisfied in respect of each Collateral Debt 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 Debt Obligations, the Issue Date.

"**Eligible Bond Index**" means Markit iBoxx EUR High Yield Index or any other index as chosen by the Collateral Manager and notified to the Rating Agencies.

"**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) (i) that are acquired, and held, and (ii) in the case of an obligation of a company incorporated or established in, or a sovereign issuer of, the United States, or otherwise bearing interest that arises, for U.S. federal income tax purposes, from sources within the United States, are in registered form for U.S. federal income tax purposes (or is not a "registration-required obligation" as defined in Section 163(f) of the Code) at the time they are acquired, 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, a Qualifying Country or any agency or instrumentality of a Qualifying Country (such guarantee to comply with the S&P current criteria on guarantees), the obligations of which are fully and expressly guaranteed by a Qualifying Country, which, in each case, have a rating of not less than the applicable Eligible Investments Minimum Rating;

(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 a Qualifying Country with, in each case, a maturity of no more than 90 days or, following the occurrence of a Frequency Switch Event, 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) and the relevant issuing depositary institution or trust company (or holding company, if applicable) at the time of such investment or contractual commitment have a rating of not less than the applicable Eligible Investments Minimum Rating;

(c) subject to receipt of Rating Agency Confirmation related thereto, unleveraged repurchase obligations with respect to:

(i) any obligation described in paragraph (a) above; or

(ii) any other security issued or guaranteed by an agency or instrumentality of a 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 Investments Minimum Rating at the time of such investment*;*

(d) securities bearing interest or sold at a discount to the face amount thereof issued by any corporation incorporated under the laws of a Qualifying Country that have a credit rating of not less than the Eligible Investments Minimum Rating at the time of such investment or contractual commitment providing for such investment;

(e) commercial paper or other short-term obligations having, at the time of such investment, a credit rating of not less than the applicable Eligible Investments Minimum Rating and that either are bearing interest or are sold at a discount to the face amount thereof and have a maturity of not more than 92 days or, following the occurrence of a Frequency Switch Event, 183 days from their date of issuance;

(f) offshore funds investing in the money markets rated, at all times, "AAAmmf" by Fitch and "AAAm" by S&P, or if not rated "AAAmmf" by Fitch, is rated "Aaa-mf" by Moody's and "AAAm" by S&P, provided that such fund issues shares, units or participations that may be lawfully acquired in Ireland; 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 Investments Minimum Rating,

and, in each case, such instrument or investment provides for payment of a pre-determined fixed amount of principal on maturity that is not subject to change and either (A) has a Collateral Debt Obligation Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated on demand without penalty, provided, however, that Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes, security rated with an "f", "r", "(sf)" or "t" subscript assigned by S&P nor shall they include such securities with such other qualifying subscript published and assigned by S&P from time to time as may be applicable, security purchased at a price in excess of 100 per cent. of par or security whose repayment is subject to substantial non-credit related risk (as determined by the Collateral Manager in its discretion); *provided*, *however*, that only assets which are "qualifying assets" within the meaning of Section 110 of the Taxes Consolidation Act 1997 as amended of Ireland and which do not give rise to stamp duty (except to the extent that such stamp duty is taken into account in deciding whether to acquire the assets) may constitute Eligible Investments.

"**Eligible Investments Minimum Rating**" means:

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

(i) in the case of Eligible Investments with a Collateral Debt Obligation Stated 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; or

(B) a short-term senior unsecured debt or issuer (as applicable) credit rating of at least "F1+" from Fitch: or

(C) such other ratings as confirmed by Fitch; and

(ii) in the case of Eligible Investments with a Collateral Debt Obligation Stated 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;

(B) a short term senior unsecured debt or issuer credit rating of at least "F1" from Fitch; or

(C) such other ratings as confirmed by Fitch.

(b) for so long any Notes rated by S&P are Outstanding:

(i) in the case of Eligible Investments with a Collateral Debt Obligation Stated Maturity of more than 30 days:

(A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "AA-" from S&P; or

(B) a short-term senior unsecured debt or issuer credit rating of at least "A-1+" from S&P; or

(C) such other ratings as confirmed by S&P; and

(ii) in the case of Eligible Investments with a Collateral Debt Obligation Stated Maturity of 30 days or less:

(A) a short-term senior unsecured debt or issuer (as applicable) credit rating of at least "A-1" from S&P; or

(B) such other ratings as confirmed by S&P.

"**Eligible Loan Index**" means Credit Suisse Western European Leveraged Loan Index or any other index as chosen by the Collateral Manager and notified to the Rating Agencies.

"**EMIR**" means the European Market Infrastructure Regulation (Regulation (EU) No. 648 (2012)), including any implementing and/or delegated regulation, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**ERISA**" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

"**EU Retention and Transparency Requirements**" means the EU Retention Requirements and the EU Transparency Requirements.

"**EU Retention Requirements**" means Article 6 of the Securitisation Regulation, including any implementing regulation, technical standards and official guidance related thereto.

"**EU Transparency Requirements**" means Article 7 of the Securitisation Regulation, including any implementing regulation, technical standards and official guidance related thereto.

"**EURIBOR**" means the rate determined in accordance with Condition 6(e) (*Interest on the Floating Rate Notes*) as follows:

(a) in the case of the initial Accrual Period, a straight line interpolation of the offered rate for 6 month and 12 month Euro deposits;

(b) in the case of each subsequent Accrual Period:

(i) prior to the occurrence of a Frequency Switch Event, the offered rate for three-month Euro deposits; and

(ii) following the occurrence of a Frequency Switch Event, the offered rate of 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).

"**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.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

"**Euronext Dublin**" means The Irish Stock Exchange p.l.c. trading as Euronext Dublin.

"**Excess CCC/Caa Adjustment Amount**" means, as of any date of determination, an amount equal to the greater of zero and:

(a) the Aggregate Principal Balance of all Collateral Debt Obligations included in the CCC Excess; *minus*

(b) the aggregate of, with respect to the Collateral Debt Obligations included in the CCC Excess, the product of (1) the Principal Balance of each such Collateral Debt Obligation and (2) the Market Value of each such Collateral Debt Obligation.

"**Excess Par Amount**" means an amount, as of any Determination Date, equal to (i) the Aggregate Collateral Balance on such Determination Date less (ii) the Reinvestment Target Par Amount; provided, that such amount may not be less than zero.

"**Exchange Act**" means the United States Securities 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 Debt Obligation and (b) a Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt 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 does not satisfy the Restructured Obligation Criteria on the Restructuring Date.

"**Expense Reserve Account**" means an 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 defined in, the Trust Deed.

"**FATCA**" means:

(a) Sections 1471 to 1474 of the Code or any associated regulations or other official guidance;

(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or official guidance referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law, regulation or other official guidance referred to in paragraphs (a) or (b) above with the IRS, the U.S. government or any governmental or taxation authority in any other jurisdiction.

"**First Lien Last Out Loan**" means a Collateral Debt Obligation that is an interest in a loan, the Underlying Instruments for which (i) may by its terms become subordinate in right of payment to any other obligation of the Obligor of such loan solely upon the occurrence of a default or event of default by the Obligor of such loan and (ii) is secured by a valid perfected first priority security interest or lien in, to or on specified collateral securing the Obligor's obligations under the loan. A First Lien Last Out Loan shall be treated in all cases as a Second Lien Loan.

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

"**Fitch**" means Fitch Ratings Limited, and any successor or successors thereto.

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

"**Fitch Collateral Value**" means, for each Defaulted Obligation, Deferring Obligation and Corporate Rescue Loan, as applicable and as at the applicable Measurement Date, the lower of:

(a) its prevailing Market Value; and

(b) the relevant Fitch Recovery Rate,

in each case 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 Maximum Weighted Average Rating Factor Test**" has the meaning given to it in the Collateral Management Agreement.

"**Fitch Minimum Weighted Average Fixed Coupon Test**" has the meaning given to it in the Collateral Management Agreement.

"**Fitch Minimum Weighted Average Recovery Rate Test**" has the meaning given to it in the Collateral Management Agreement.

"**Fitch Minimum Weighted Average Spread Test**" has the meaning given to it in the Collateral Management Agreement.

"**Fitch Rating**" has the meaning given to it in the Collateral Management Agreement.

"**Fitch Recovery Rate**" means in respect of any Collateral Debt Obligation, the Fitch recovery rate determined in accordance with the Collateral Management Agreement.

"**Fitch Test Matrices**" has the meaning given to it in the Collateral Management Agreement.

"**Fixed Rate Collateral Debt Obligation**" means any Collateral Debt Obligation that bears a fixed rate of interest.

"**Fixed Rate Notes**" means the Class B-1 Notes.

"**Floating Rate Collateral Debt Obligation**" means any Collateral Debt Obligation that bears a floating rate of interest.

"**Floating Rate Notes**" means the Class X Notes, the Class A Notes, the Class B-2 Notes, the Class C Notes, the 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 Asset Swap**" means an Asset Swap Transaction and the related Asset Swap Agreement, the documentation for and structure of which conforms (save for the amount and timing of periodic payments, the name and financial aspects of the related Collateral Debt Obligation, the notional amount, the effective date, the termination date and other related and/or immaterial changes) to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies for the purposes of the transaction contemplated herein and in respect of which the Rating Agencies have not notified the Issuer or the Collateral Manager that such approval has been withdrawn.

"**Form Approved Interest Rate Hedge**" means an Interest Rate Hedge Transaction and the related Interest Rate Hedge Agreement, the documentation for and structure of which conforms (save for the amount and timing of periodic payments, the applicable floating rate index, the notional amount, the effective date, the termination date and other related and/or immaterial changes) to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies for the purposes of the transaction

contemplated herein and in respect of which the Rating Agencies have not notified the Issuer or the Collateral Manager that such approval has been withdrawn.

"**Frequency Switch Event**" means the occurrence of a Frequency Switch Measurement Date on which, either the Collateral Manager declares (*provided* that the Collateral Manager can only make such determination if sub-paragraph (c) below is satisfied), (by written notice to the Issuer, the Collateral Administrator (who shall notify the Noteholders in accordance with Condition 16 (*Notices*)) and the Trustee) in its sole discretion that a Frequency Switch Event has occurred or, for so long as any of the Class X Notes, the Class A Notes and/or Class B Notes remain Outstanding:

(a) the Aggregate Principal Balance of all Frequency Switch Obligations (excluding Defaulted Obligations) in respect of such Frequency Switch Measurement Date is greater than or equal to 20 per cent. of the Aggregate Collateral Balance;

(b) the ratio (expressed as a percentage) obtained by dividing:

(i) the sum of:

(A) the aggregate of scheduled and projected interest and principal payments (and any commitment fees in respect of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations but excluding any scheduled interest payments in respect of Defaulted Obligations, interest payments as to which the Collateral Manager has actual knowledge that such payment will not be made, and any Interest Smoothing Amounts which are required to be transferred to the Interest Smoothing Account at the end of the immediately following Due Period) which will be due to be paid on each Collateral Debt Obligation during the immediately following Due Period (which, in the case of each Non-Euro Obligation, to the extent that an Asset Swap Agreement is in place, shall be converted into Euro at the Applicable Exchange Rate for the related Asset Swap Transaction and, to the extent that no Asset Swap Agreement is in place, shall be converted into Euro at the Spot Rate); and

(B) the Balance standing to the credit of the Interest Smoothing Account on such Frequency Switch Measurement Date; by

(ii) all amounts scheduled to be payable in respect of paragraphs (A) to (H) of the Interest Proceeds Priority of Payments on the second Payment Date following such Frequency Switch Measurement Date,

is less than 120 per cent.; and

(c) the sum of:

(i) the amount determined pursuant to paragraph (b)(i) above; and

(ii) the aggregate of scheduled and projected interest payments (and any commitment fees in respect of Revolving Obligations or Delayed Drawdown Collateral Debt Obligations) which will be accrued but not yet paid as at the Business Day being three months following such Frequency Switch Measurement Date in respect of each Frequency Switch Obligation (excluding Defaulted Obligations) (which, in the case of each Non-Euro Obligation, to the extent that an Asset Swap Agreement is in place, in the case of each Non-Euro Obligation shall be converted into Euro at the Applicable Exchange Rate for the related Asset Swap Transaction and, to the extent that no Asset Swap Agreement is in place, shall be converted into Euro at the Spot Rate),

is equal to or greater than the amount determined pursuant to paragraph (b)(ii) above,

with the projected interest amounts described above being calculated in respect of such Frequency Switch Measurement Date on the basis of the following assumptions:

(X) in respect of each Floating Rate Collateral Debt Obligation, projected interest payable on such Floating Rate Collateral Debt Obligation on each future payment date thereunder during the immediately following Due Period shall be determined based on the applicable base rate and

applicable margin pursuant to the relevant Underlying Instrument as determined as at such Frequency Switch Measurement Date;

(Y) the frequency of interest payments on each Collateral Debt Obligation shall not change following such Frequency Switch Measurement Date; and

(Z) EURIBOR for the purposes of calculating Interest Amounts in respect of the Class X Notes, the Class A Notes and the Class B-2 Notes at all times following such Determination Date shall be equal to EURIBOR as determined as at such Frequency Switch Measurement Date.

"**Frequency Switch Measurement Date**" means each Determination Date from (and including) the Determination Date immediately preceding the second Payment Date, *provided* that following the occurrence of a Frequency Switch Event, no further Frequency Switch Measurement Date shall occur.

"**Frequency Switch Obligation**" mean, in respect of a Determination Date, (1) a Collateral Debt Obligation which has become a Semi-Annual Obligation or an Annual Obligation during the Due Period related to such Determination Date as a result of a switch in the frequency of interest payments on such Collateral Debt Obligation occurring during such Due Period in accordance with the applicable Underlying Instrument or (2) a Collateral Debt Obligation which is a Semi-Annual Obligation or an Annual Obligation which the Issuer has entered into a binding commitment to purchase during the Due Period related to such Determination Date.

"**Funded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Debt 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 Certificate**" means a certificate representing one or more Notes in global, fully registered form.

"**Global Exchange Market**" means the Global Exchange Market of Euronext Dublin.

"**Hedge Agreement**" means any Interest Rate Hedge Agreement or any Asset Swap Agreement, as applicable.

"**Hedge Agreement Eligibility Criteria**" means, in respect of a Hedge Transaction, either:

(a) (i) the relevant Hedge Transaction is an interest rate swap or cross-currency swap transaction (or both) and is being entered into solely to hedge interest rate risk, timing mismatch or currency risk (or any combination of these) on the relevant Collateral Debt Obligation;

(i) the relevant Hedge Transaction relates to a single Collateral Debt Obligation only although multiple Hedge Transactions with the same counterparty may be entered into under a single master hedge agreement;

(ii) the relevant Hedge Transaction does not extend the legal final maturity of the relevant Collateral Debt Obligation;

(iii) the relevant Hedge Transaction does not leverage the Issuer's exposure to the relevant Collateral Debt Obligation or otherwise inject leverage into the Issuer's exposure;

(iv) other than with respect to introducing credit risk exposure to the counterparty on the Hedge Transaction, the relevant Hedge Transaction does not change the Issuer's credit risk exposure to the Obligor on the relevant the Collateral Debt Obligation;

(v) the relevant Hedge Transaction is documented pursuant to a 1992 ISDA Master Agreement (Multicurrency-Cross-Border) or a 2002 ISDA Master Agreement (or such other ISDA *pro forma* Master Agreement as may be published by ISDA from time to time), including pursuant to a confirmation for each Hedge Transaction thereunder;

(vi) payment dates under the relevant Hedge Transaction correspond to or occur on or about Payment Dates or the relevant Collateral Debt Obligation payment dates;

(vii) the notional amount of the relevant Hedge Transaction will decline in line with the principal amount of the relevant Collateral Debt Obligation;

(viii) in the Collateral Manager's view, in the context of the transaction as a whole, such Hedge Transaction will not change the Noteholders' investment risk profile in respect of the Notes in any material way by virtue thereof; and

(ix) either (A) the relevant Hedge Transaction terminates automatically in whole or in part (as applicable) when the subject matter of the Collateral Debt Obligation is sold or matures; or (B) the Issuer must have the right to terminate the relevant Hedge Transaction in whole or in part (as applicable) when the subject matter Collateral Debt Obligation is sold or matures and at the time the relevant Hedge Transaction is entered into the Collateral Manager intends to cause the Issuer to exercise such right; or

(b) prior to entering into such Hedge Transaction, the Issuer (or the Collateral Manager on behalf of the Issuer) obtains legal advice from a reputable legal counsel to the effect that the entry into such arrangements will not cause any commodity pool operator of the Issuer, including the Collateral Manager, to be required to be registered as a CPO with the CFTC in respect of the Issuer.

"**Hedge Counterparty**" means any Interest Rate Hedge Counterparty or Asset Swap Counterparty, as applicable.

"**Hedge Replacement Payment**" means any Interest Rate Hedge Replacement Payment or Asset Swap Replacement Payment, as applicable.

"**Hedge Replacement Receipt**" means any Interest Rate Hedge Replacement Receipt or Asset Swap Replacement Receipt, as applicable.

"**Hedge Termination Account**" means the account (or accounts) of the Issuer with the Account Bank into which Hedge Termination Receipts and Hedge Replacement Receipts shall be paid, which account (or accounts) shall be maintained in each relevant currency in relation to the Asset Swap Transactions.

"**Hedge Termination Payment**" means any Interest Rate Hedge Termination Payment or Asset Swap Termination Payment, as applicable.

"**Hedge Termination Receipt**" means any Interest Rate Hedge Termination Receipt or Asset Swap Termination Receipt, as applicable.

"**Hedge Transaction**" means any Interest Rate Hedge Transaction or Asset Swap Transaction, as applicable.

"**High Yield Bond**" means a debt security other than a Secured Senior Bond which, on acquisition by the Issuer, is rated below BBB- by S&P or equivalent by at least one internationally recognised credit rating agency (*provided* that, if such debt security is, at any time following acquisition by the Issuer, no longer rated by at least one internationally recognised credit rating agency as below investment grade it will not, as a result of such change in rating, fall outside this definition) or which is a high yielding debt security, in each case as determined by the 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 (exclusive of VAT) pursuant to the Collateral Management Agreement in an amount, as determined by the Collateral Administrator, equal to the amount specified at paragraph (AA) of the Interest Proceeds Priority of Payments, paragraph (Q) of the Principal Proceeds Priority of Payments, paragraph (C) of the Collateral Enhancement Obligation Proceeds Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payments provided that such amount will only be payable to the Collateral Manager if the Incentive Collateral Management Fee IRR Threshold has been reached.

"**Incentive Collateral Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date (determined as of such Payment Date after giving effect to all payments in respect of the Subordinated Notes Outstanding to be made on such Payment Date (and any distributions made on each other Payment Date since the Issue Date) and disregarding for such purpose any further Subordinated Notes issued pursuant to Condition 17 (*Additional Issuances*)) if the Subordinated Notes have received an IRR (computed using the "XIRR" function in Microsoft Excel or an equivalent function in another software package) of at least 12 per cent. on the product of their issue price and the Principal Amount Outstanding of the Subordinated Notes on the

Issue Date, and assuming for such purpose that all Subordinated Notes were purchased at an issue price equal to the Subordinated Notes Initial Offer Price Percentage.

"**Incurrence Covenant**" means a covenant by any Obligor to comply with one or more financial covenants only upon the occurrence of certain actions of, or events relating to, the Obligor, including but not limited to a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture, unless, as of any date of determination, such action was taken or such event has occurred, in each case the effect of which causes such covenant to satisfy the criteria of a Maintenance Covenant.

"**Initial Investment Period**" means the period from, and including, the Issue Date to, but excluding, the Effective Date.

"**Initial Purchaser**" means Barclays Bank PLC.

"**Initial Ratings**" means in respect of any Class of Notes and any Rating Agency, the ratings assigned to such Class of Notes by such Rating Agency as at the Issue Date and "**Initial Rating**" means each such rating.

"**Interest Account**" means an account described as such in the name of the Issuer with the Custodian into which Interest Proceeds are to be paid.

"**Interest Amount**" means in respect of a Class of Notes:

(a) in the case of the Floating Rate Notes, the amount calculated by the Calculation Agent in accordance with Condition 6(e)(ii) (*Determination of Floating Rate of Interest and Calculation of Interest Amount*) and, in the case of the Fixed Rate Notes, the amount calculated by the Calculation Agent in accordance with Condition 6(e)(iii) (*Calculation of Class B-1 Fixed Amounts*);

(b) in the case of the Subordinated Notes, the amount calculated by the Collateral Administrator in accordance with Condition 6(f) (*Interest in respect of Subordinated Notes*); and

(c) in the case of the Class M Notes, the Senior Class M Interest Amounts and the Subordinated Class M Interest Amounts.

"**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 Debt Obligations), all amendment and waiver fees, all late payment fees, all syndication fees, delayed compensation and all other fees and commissions in respect of Collateral Debt Obligations and Eligible Investments but only to the extent not representing Principal Proceeds and any amounts which the applicable Obligor has agreed to pay by way of a gross-up in respect of amounts withheld at source or otherwise deducted in respect of taxes and any amounts which the Collateral Manager reasonably determines will be received within the same Due Period by way of recovery from an applicable tax authority under a double tax treaty due but not yet received (to the extent such amounts are not required to be payable to the relevant Obligor) (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 Debt Obligations (which, in the case of each Non-Euro Obligation, to the extent that a related Asset Swap Agreement is in place, shall be deemed to be converted into Euro at the then Applicable Exchange Rate for the related Asset Swap Transaction) and *excluding*:

(i) accrued and unpaid interest on Defaulted Obligations (excluding all Current Pay Obligations, irrespective of the limitation in the Portfolio Profile Tests);

(ii) interest on any Collateral Debt Obligation to the extent that such Collateral Debt 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 Debt Obligation;

(iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes (including for the avoidance of doubt as a result of FATCA);

(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,

provided that, in respect of a Non-Euro Obligation (i) that is an Asset Swap Obligation, this paragraph (b) shall be deemed to refer to the related Scheduled Periodic Asset Swap Counterparty Payment, subject to the exclusions set out above and (ii) that is an Unhedged Collateral Debt Obligation, the amount taken into account for this paragraph (b) shall be an amount equal to (X) if such Unhedged Collateral Debt Obligation, has been an Unhedged Collateral Debt Obligation for less than six months since its acquisition date 50 per cent. of the scheduled payments referred to in this paragraph (b) (subject to the exclusions set out above), converted into Euro at the then prevailing Spot Rate, and (Y) otherwise zero;

(c) *minus* the amounts payable pursuant to paragraphs (A) through to (F) of the Interest Proceeds Priority of Payments on the following Payment Date;

(d) *minus* any of the above amounts that would be payable into the Interest Smoothing Account on the Business Day after the Determination Date at the end of the Due Period in which such Measurement Date falls;

(e) *plus* any amounts that would be payable from the Expense Reserve Account, the Interest Smoothing Account, the First Period Reserve Account and/or the Asset Swap Account to the Interest Account in the Due Period relating to such Measurement Date (without double counting any such amounts which have been already transferred to the Interest Account);

(f) *plus* any Scheduled Periodic Interest Rate Hedge Counterparty Payments and/or Scheduled Periodic Asset Swap Counterparty Payments payable to the Issuer under any Hedge Transaction (as determined by the Issuer with the reasonable assistance of the Collateral Manager) to the extent not already included in accordance with paragraph (b) above; and

(g) *minus* any interest in respect of a PIK Obligation that has been deferred (but only to the extent such amount has not already been excluded in accordance with paragraph (b)(ii) or (b)(iii) above).

For the purposes of calculating any Interest Coverage Amount, the expected or scheduled interest income on Floating Rate Collateral Debt 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/B Interest Coverage Ratio, the Class C Interest Coverage Ratio or the Class D Interest Coverage Ratio (as applicable) and "**Interest Coverage Ratios**" means any two or more of them as the context so requires. For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral Debt 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/B Interest Coverage Test, the Class C Interest Coverage Test or the Class D Interest Coverage Test (as applicable) and "**Interest Coverage Tests**" means any two or more of them as the context so requires.

"**Interest Determination Date**" means the second Business Day prior to the commencement of each Accrual Period.

"**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 Proceeds 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 Proceeds Priority of Payments**" means the priority of payments in respect of Interest Proceeds set out in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Interest Rate Hedge Agreement**" means a 1992 ISDA Master Agreement (Multicurrency-Cross-Border) or a 2002 ISDA Master Agreement (or such other ISDA *pro forma* Master Agreement as may be published by ISDA from time to time), together with the schedule and confirmations relating thereto including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof, each as amended or supplemented from time to time, and entered into by the Issuer with an Interest Rate Hedge Counterparty which shall govern one or more Interest Rate Hedge Transactions entered into by the Issuer and such Interest Rate Hedge Counterparty (including any Replacement Interest Rate Hedge Transaction).

"**Interest Rate Hedge Counterparty**" means each financial institution with which the Issuer enters into an Interest Rate Hedge Transaction or any permitted transferee, assignee or successor thereto under the terms of the related Interest Rate Hedge Transaction and in each case which satisfies, at the time of entry into the relevant Interest Rate Hedge Agreement, the applicable Rating Requirement (or whose obligations are guaranteed by a guarantor which satisfies the applicable Rating Requirement at such time) upon the date of entry into such agreement (or in respect of which Rating Agency Confirmation has been obtained on such date).

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

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

"**Interest Rate Hedge Termination Payment**" means the amount payable to an Interest Rate Hedge Counterparty by the Issuer upon termination or modification of an Interest Rate Hedge Transaction (or a group thereof) pursuant to the relevant Interest Rate Hedge Agreement excluding any due and unpaid scheduled amounts payable thereunder.

"**Interest Rate Hedge Termination Receipt**" means the amount payable by an Interest Rate Hedge Counterparty to the Issuer upon termination of an Interest Rate Hedge Transaction pursuant to the relevant Interest Rate Hedge Agreement, excluding, for purposes other than payment to the applicable Account to which the Issuer shall credit such amounts, the portion thereof representing any due and unpaid scheduled amounts payable thereunder.

"**Interest Rate Hedge Transaction**" means each interest rate protection transaction, which may be an interest rate swap transaction, an interest rate cap, an interest rate floor transaction, or an asset specific interest rate swap, in each case, entered into under an Interest Rate Hedge Agreement.

"**Interest Smoothing Account**" means the account described as such in the name of the Issuer with the Account Bank to which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(xii) (*Interest Smoothing Account*).

"**Interest Smoothing Amount**" means, in respect of each Determination Date on or following the occurrence of a Frequency Switch Event, zero and, in respect of each other Determination Date and for so long as any Rated Notes are Outstanding, an amount equal to the sum of:

(a) (i) 0.5; multiplied by

(ii) an amount equal to:

(A) the sum of all payments of interest received during the related Due Period in respect of each Semi-Annual Obligation; *minus*

(B) the sum of all payments of interest scheduled to be received during the immediately following Due Period in respect of each Semi-Annual Obligation, *plus*

(b) (i) 0.25; multiplied by

(ii) an amount equal to:

(A) the sum of all payments of interest received during the related Due Period in respect of each Annual Obligation; *minus*

(B) the sum of all payments of interest scheduled to be received during the immediately following Due Period in respect of each Annual Obligation,

provided that (x) such amount may not be less than zero and (y)(I) following redemption in full of the Rated Notes or if the Aggregate Principal Balance of the Semi-Annual Obligations and Annual Obligations (as at the last day of the related Due Period and where, for such purpose, the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value) are, together, less than or equal to five per cent. of the Aggregate Collateral Balance (for the purposes of determining the Aggregate Collateral Balance, the Principal Balance of all Defaulted Obligations shall be their S&P Collateral Value) or (II) if:

(a) the Interest Smoothing Coverage Ratio is at least 105 per cent. but less than 110 per cent, the Aggregate Principal Balance of Semi-Annual Obligations and Annual Obligations in aggregate do not exceed 7.5 per cent. of the Aggregate Collateral Balance;

(b) the Interest Smoothing Coverage Ratio is at least 110 per cent. but less than 115 per cent, the Aggregate Principal Balance of Semi-Annual Obligations and Annual Obligations in aggregate do not exceed 10 per cent. of the Aggregate Collateral Balance;

(c) the Interest Smoothing Coverage Ratio is at least 115 per cent. but less than 120 per cent, the Aggregate Principal Balance of Semi-Annual Obligations and Annual Obligations in aggregate do not exceed 12.5 per cent. of the Aggregate Collateral Balance; or

(d) the Interest Smoothing Coverage Ratio is at least 120 per cent., the Aggregate Principal Balance of Semi-Annual Obligations and Annual Obligations in aggregate do not exceed 15 per cent. of the Aggregate Collateral Balance,

such amount shall be deemed to be zero and *provided further* that for the purposes of determining the Aggregate Collateral Balance in respect of paragraphs (a) to (d) above, the Principal Balance of all Defaulted Obligations shall be their S&P Collateral Value.

"**Interest Smoothing Coverage Amount**" means, on any particular Measurement Date (without double counting), the sum of:

(a) the scheduled interest payments (and any commitment fees due but not yet received in respect of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations), all amendment and waiver fees, all late payment fees, all syndication fees, delayed compensation and all other fees and commissions in respect of Collateral Debt Obligations and Eligible Investments but only to the extent not representing Principal Proceeds and any amounts which the applicable Obligor has agreed to pay by way of a gross-up in respect of amounts withheld at source or otherwise deducted in respect of taxes and any amounts which the Collateral Manager reasonably determines will be received within the same Due Period by way of recovery from an applicable tax authority under a double tax treaty due but not yet received (to the extent such amounts are not required to be payable to the relevant Obligor) (in each case regardless of whether the applicable due date has yet occurred) in the Due Period following the Due Period in which such Measurement Date occurs on the Collateral Debt Obligations (which, in the case of each Non-Euro Obligation, to the extent that a related Asset Swap Agreement is in place, shall be deemed to be converted into Euro at the then Applicable Exchange Rate for the related Asset Swap Transaction) and *excluding*:

(i) accrued and unpaid interest on Defaulted Obligations (excluding all Current Pay Obligations, irrespective of the limitation in the Portfolio Profile Tests);

(ii) interest on any Collateral Debt Obligation to the extent that such Collateral Debt 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 Debt Obligation;

(iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes (including for the avoidance of doubt as a result of FATCA);

(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,

provided that, in respect of a Non-Euro Obligation (i) that is an Asset Swap Obligation, this paragraph (a) shall be deemed to refer to the related Scheduled Periodic Asset Swap Counterparty Payment, subject to the exclusions set out above and (ii) that is an Unhedged Collateral Debt Obligation, the amount taken into account for this paragraph (a) shall be an amount equal to (X) if such Unhedged Collateral Debt Obligation, has been an Unhedged Collateral Debt Obligation for less than six months since its acquisition date 50 per cent. of the scheduled payments referred to in this paragraph (a) (subject to the exclusions set out above), converted into Euro at the then prevailing Spot Rate, and (Y) otherwise zero;

(b) *minus* the amounts payable pursuant to paragraphs (A) through to (F) of the Interest Proceeds Priority of Payments on the Payment Date following the next following Payment Date;

(c) *plus* any amounts that would be payable from the Expense Reserve Account, the First Period Reserve Account and/or the Asset Swap Account to the Interest Account in the Due Period following the Due Period relating to such Measurement Date (without double counting any such amounts which have been already transferred to the Interest Account);

(d) *plus* any Scheduled Periodic Interest Rate Hedge Counterparty Payments and/or Scheduled Periodic Asset Swap Counterparty Payments payable to the Issuer under any Hedge Transaction (as determined by the Issuer with the reasonable assistance of the Collateral Manager) to the extent not already included in accordance with paragraph (a) above; and

(e) *minus* any interest in respect of a PIK Obligation that has been deferred (but only to the extent such amount has not already been excluded in accordance with paragraph (a)(ii) or (a)(iii) above).

For the purposes of calculating any Interest Smoothing Coverage Amount, the expected or scheduled interest income on Floating Rate Collateral Debt 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 Smoothing Coverage Ratio**" means, as of any Determination Date, the ratio (expressed as a percentage) obtained by dividing the Interest Smoothing Coverage Amount by the sum of the scheduled interest payments due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes on the Payment Date following the next following Payment Date (excluding Deferred Interest but including any interest on Deferred Interest and with any non-Euro amounts converted into Euro at the Spot Rate). For the purposes of calculating the Interest Smoothing Coverage Ratio, the expected interest income on Collateral Debt Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"**Intermediary**" means any financial institution through which payments on the Notes are made.

"**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.

"**Intex**" means Intex Solutions, Inc.

"**Investment Company Act**" means the United States Investment Company Act of 1940, as amended.

"**Investor Report**" means a report containing certain information prescribed by Article 7(1)(e) of the Securitisation Regulation, which is to be made available on a quarterly basis after the occurrence of the Securitisation Regulation Reporting Effective Date.

"**Irish Business Day**" means a day which is not a Saturday, Sunday or public holiday in Ireland.

"**Irish STS Regulations**" means the European Union (General Framework for Securitisation and Specific Framework for Simple, Transparent and Standardised Securitisation) Regulations 2018 of Ireland.

"**IRR**" means, for purposes of the Incentive Collateral Management Fee, with respect to each Payment Date and the Subordinated Notes issued on the Issue Date, the rate of return that would result in a net present value of zero, assuming (i) an aggregate purchase price equal to the initial aggregate Principal Amount Outstanding of the Subordinated Notes issued on the Issue Date multiplied by the Subordinated Notes Initial Offer Price Percentage as the initial negative cash flow on the Issue Date and all payments on such Subordinated Notes on such and each prior Payment Date as positive cash flows, (ii) the initial date for calculation as of the Issue Date, (iii) the number of days to each Payment Date from the Issue Date is calculated on the basis of the actual number of days in each such period and a 365-day year and (iv) no further Subordinated Notes have been issued pursuant to Condition 17 (*Additional Issuances*).

"**IRS**" means the United States Internal Revenue Service or any successor thereto.

"**ISDA**" means the International Swaps and Derivatives Association, Inc.

"**Issue Date**" means 17 August 2020 (or such other date as may shortly follow such date as may be agreed between the Issuer and the Initial Purchaser and is notified to the Trustee, the Collateral Administrator and the Noteholders in accordance with Condition 16 (*Notices*) and Euronext Dublin).

"**Issue Date Collateral Debt Obligation**" means an obligation other than an Issue Date Ineligible Portfolio Obligation in respect of 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.

"**Issue Date Ineligible Portfolio Obligation**" has the meaning given to it in the Collateral Management Agreement.

"**Issuer Fee**" means the payment on each Payment Date of EUR250, or, following the occurrence of a Frequency Switch Event, of EUR500, to the Issuer as a fee for entering into the transaction.

"**Issuer Irish Account**" means the account in the name of the Issuer in which the Issuer's share capital and any Issuer Fees will be held.

"**Liabilities**" means any losses, damages, costs, charges, claims, demands, expenses (including legal fees and expenses), judgments, actions, proceedings or other liabilities whatsoever (including without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any irrecoverable VAT or similar tax charged or chargeable in respect thereof.

"**Loan Report**" means a report containing certain information on the Collateral Debt Obligations which is, pursuant to Article 7(1)(a) of the Securitisation Regulation, required to be made available on a quarterly basis after the occurrence of the Securitisation Regulation Reporting Effective Date.

"**Maintenance Covenant**" means, as of any date of determination, a covenant by any Obligor to comply with one or more financial covenants during each reporting period applicable to the related loan, whether or not any action by, or event relating to, such Obligor occurs after such date of determination.

"**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, on any date of determination and as provided by the Collateral Manager to the Collateral Administrator (in each case, expressed as a percentage of par):

(a) the bid price determined by an independent recognised pricing service; or

(b) if such independent recognised pricing service is not available, the mean of the bid prices determined by three independent broker-dealers active in the trading of such Collateral Debt 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; 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 paragraph (e)(ii) below would be lower); or

(e) if the determinations of such broker-dealers or independent recognised pricing service are not available, then the lower of:

(i) the higher of (x) the Fitch Recovery Rate of such Collateral Debt Obligation; (y) the S&P Recovery Rate of such Collateral Debt Obligation and (z) 70 per cent. of such Collateral Debt Obligation's Principal Balance; and

(ii) the fair market value thereof determined by the Collateral Manager in accordance with the standard of care set out in the Collateral Management Agreement consistent with the manner in which it would determine the market value of an asset for purposes of other funds or accounts managed by it, 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; and

(ii) if the Collateral Manager is not subject to MiFID II (or other comparable regulation), where the Market Value is determined by the Collateral Manager in accordance with (e)(ii) above, such Market Value shall only be valid for 30 days, after which time if the Market Value cannot be ascertained by a third party the Market Value shall be deemed to be zero.

"**Maturity Date**" means 15 July 2033 (or if such date is not a Business Day, the next following Business Day).

"**Maximum Obligor Concentration Test**" has the meaning given to it in the Collateral Management Agreement.

"**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, which determination shall be made, *firstly*, by reference immediately prior to receipt of any Principal Proceeds which are to be reinvested without taking into account and, *secondly*, taking into account on a projected basis, the proposed sale of Collateral Debt Obligations and reinvestment of the Sale Proceeds thereof in Substitute Collateral Debt Obligations;

(c) for the purposes of determining whether a Retention Deficiency has occurred, any Business Day;

(d) the date of acquisition of any additional Collateral Debt Obligation following the Effective Date;

(e) each Determination Date;

(f) the date as at which any Report is prepared; and

(g) 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 then 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 accordance with the standard of care set out in the Collateral Management Agreement (which determination will not be called into question as a result of subsequent events), or a Participation therein.

"**MiFID II**" means EU Directive 2014/65/EU and EU Regulation 600/2014/EU on Markets in Financial Instruments (as the same may be amended or supplemented from time to time) including any implementing and/or delegated regulations, technical standards and guidelines relating thereto.

"**Minimum Denomination**" means:

(a) in the case of the Regulation S Notes of each Class, €100,000; and

(b) in the case of the Rule 144A Notes of each Class, €250,000.

"**Monthly Report**" means any monthly report 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 Agreement and made available via a secured website currently located at https://gctinvestorreporting.bnymellon.com which shall be accessible to any person who certifies to the Collateral Administrator (such certification to be substantially in the form set out in the Collateral Management Agreement or such other form as may be agreed between the Issuer, the Collateral Administrator and the Collateral Manager from time to time, such certification may be given electronically and upon which certificate the Collateral Administrator shall be entitled to rely absolutely and without enquiry or liability) that it is: (i) the Issuer, (ii) the Trustee, (iii) the Collateral Manager, (iv) the Initial Purchaser, (v) a Hedge Counterparty, (vi) a Rating Agency, (vii) a Noteholder, (viii) a Competent Authority, (ix) a potential investor in the Notes, (x) Bloomberg, or (xi) Intex Solutions, Inc., and which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Management Agreement.

"**Moody's**" means Moody's Investors Service Ltd and any successor or successors thereto.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding, 15 July 2021 (or if such date is not a Business Day, the next following Business Day).

"**Non-Eligible Issue Date Collateral Debt Obligation**" has the meaning given thereto in the Collateral Management Agreement.

"**Non-Emerging Market Country**" means any of Australia, Austria, Belgium, Bermuda, Canada, the Cayman Islands, the Channel Islands, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Iceland, Israel, Republic of Ireland, the Isle of Man, Italy, Japan, Jersey, Liechtenstein, Luxembourg, The Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, the United States, any other country that is a member of or accedes to the European Union and any other country, the foreign currency issuer credit rating of which is rated, at the time of acquisition of the relevant Collateral Debt Obligation, at least "BBB-" by Fitch and the foreign currency country issuer rating of which is rated, at the time of acquisition of the relevant Collateral Debt Obligation, at least "BBB-" by S&P (*provided* that Rating Agency Confirmation is received in respect of any such other country which is not in the Euro zone).

"**Non-Euro Obligation**" means any Collateral Debt Obligation, or part thereof, as applicable, denominated in a currency other than Euro.

"**Note Event of Default**" means each of the events defined as such in Condition 10(a) (*Note Events of Default*).

"**Note Payment Sequence**" means the application of Interest Proceeds or Principal Proceeds, as applicable, in accordance with the relevant Priority of Payments in the following order:

(a) *firstly*, to the redemption of the Class X Notes and Class A Notes (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class X Notes and the Class A Notes have been fully redeemed;

(b) *secondly*, to the redemption of the Class B Notes (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class B Notes have been fully redeemed;

(c) *thirdly,* to the redemption of the Class C Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class C Notes have been fully redeemed;

(d) *fourthly,* to the redemption of the Class D Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class D Notes have been fully redeemed; and

(e) *fifthly*, to the redemption of the Class E Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class E Notes have been fully redeemed,,

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 X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class M Notes and/or the Subordinated Notes by or on behalf of the Issuer becoming properly subject to any withholding tax other than:

(i) a payment in respect of Deferred Interest becoming properly subject to any withholding tax;

(ii) withholding tax pursuant to FATCA; and

(iii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland or other applicable taxing authority; or

(b) United Kingdom or U.S. state or federal tax authorities impose net income, profits or similar tax upon the Issuer in an amount in excess of €1,000 *per annum* (other than any U.S. federal, state or local income or franchise tax imposed solely with respect to an equity security or United States real property interest (as defined for U.S. federal income tax purposes) received in an Offer, so long as the Issuer disposes of such equity security or United States real property interest within thirty Business Days after receipt).

"**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.

"**Notes**" means each of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class M Notes and the Subordinated Notes.

"**Obligor**" means, in respect of a Collateral Debt 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 Debt 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 or (b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument.

"**On-going Expense Excess Amount"** means, on any Payment Date, an amount equal to the excess, if any, of (i) the sum of the Senior Expenses Cap and the Balance of the Expense Reserve Account excluding any Third Party Indemnity Receipts as of the immediately preceding Determination Date, over (ii) the sum of (without duplication) (x) all amounts paid pursuant to paragraphs (B) and (C) of Condition 3(c)(i) (*Application of Interest Proceeds*) on such Payment Date plus (y) all Trustee Fees and Expenses and Administrative Expenses paid during the related Due Period.

"**On-going Expense Reserve Amount"** means, an amount equal to the lesser of (i) the On-going Expense Reserve Ceiling and (ii) the On-going Expense Excess Amount.

"**On-going Expense Reserve Ceiling**" means, on any Payment Date, the excess, if any, of €500,000 over the amount on deposit in the Expense Reserve Account excluding any Third Party Indemnity Receipt as of the immediately preceding Determination Date.

"**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.

"**Originated Assets**" means certain Issue Date Collateral Debt Obligations selected by the Retention Holder for purchase by the Issuer, having an aggregate principal amount equal to at least 5 per cent. of the Target Par Retention Amount, which the Retention Holder agreed to purchase from the Issuer under the Conditional Sale Agreement in the event that any such assets failed to meet the Eligibility Criteria (as such term is defined under the Warehouse Arrangements) during the relevant Seasoning Period.

"**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 and not redeemed or otherwise repaid or cancelled, as further defined in the Trust Deed.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, the Class C Par Value Ratio, the Class D Par Value Ratio or the Class E Par Value Ratio (as applicable).

"**Par Value Test**" means the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test or the Class E Par Value Test (as applicable).

"**Partial Redemption Date**" means each date specified for a partial redemption of the Rated Notes of one or more Classes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*) or, if such day is not a Business Day, the next following Business Day.

"**Partial Redemption Interest Proceeds**" means, as of any Partial Redemption Date, Interest Proceeds in an amount equal (x) to the lesser of (a) the amount of accrued interest on the Class or Classes of Rated Notes being refinanced or redeemed and (b) the amount the Collateral Manager reasonably determines would have been available for distribution under the Interest Proceeds Priority of Payments for the payment of accrued interest on the Class or Classes of Rated Notes being refinanced or redeemed on the next subsequent Payment Date (or in the case of a Partial Redemption Date that is occurring on a Payment Date, on such date) if such Notes had not been refinanced or redeemed plus (y) if the Partial Redemption Date is not otherwise a Payment Date, an amount equal to the amount the Collateral Manager reasonably determines would have been available for distribution under the Interest Proceeds Priority of Payments for the payment of Trustee Fees and Expenses and Administrative Expenses on the next following Payment Date.

"**Partial Redemption Priority of Payments**" means the priority of payments in respect of Refinancing Proceeds and Partial Redemption Interest Proceeds set out in Condition 3(k) (*Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date*).

"**Participation**" means an interest in a Collateral Debt Obligation taken indirectly by the Issuer by way of sub-participation from a Selling Institution which shall include, for the purposes of the Bivariate Risk Table set forth in the Collateral Management 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 each of the Principal Paying Agent and any additional or further paying agent appointed under the Agency Agreement.

"**Payment Account**" means the non-interest bearing 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 or the Custodian, as applicable, 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*) 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:

(a) 15 January, 15 April, 15 July and 15 October at any time prior to the occurrence of a Frequency Switch Event; and

(b) 15 January and 15 July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July) or 15 April and 15 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October), following the occurrence of a Frequency Switch Event,

in each year commencing on 15 April 2021, up to and including the Maturity Date (each a "**Scheduled Payment Date**"), any Redemption Date in connection with a redemption in whole and each Unscheduled Payment Date, *provided* that if any such 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 prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer and made available via a secured website currently located at https://gctinvestorreporting.bnymellon.com which shall be accessible to any person who certifies to the Collateral Administrator (such certification to be substantially in the form set out in the Collateral Management Agreement or such other form as may be agreed between the Issuer, the Collateral Administrator and the Collateral Manager from time to time, such certification may be given electronically and upon which certificate the Collateral Administrator shall be entitled to rely absolutely and without enquiry or liability that it is: (i) the Issuer, (ii) the Trustee, (iii) the Collateral Manager, (iv) the Initial Purchaser, (v) a Hedge Counterparty, (vi) a Rating Agency, (vii) a Noteholder, (viii) a Competent Authority, (ix) a potential investor in the Notes, (x) Bloomberg, or (xi) Intex Solutions, Inc., not later than the Business Day preceding the related Payment Date.

"**Permitted Use**" has the meaning given to it in Condition 3(j)(xiii) (*Supplemental Reserve Account*).

"**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 Obligation**" means any Collateral Debt Obligation which is a security, the terms of which permit the deferral of the payment of interest thereon (excluding (i) any Collateral Debt Obligation which permits such deferral only upon unavailability of proceeds for the obligor to make such payments or (ii) any Collateral Debt Obligation in respect of which less than 50 per cent. of the interest payable thereon may be so deferred), including, without limitation, by way of capitalising interest thereon *provided* that, for the avoidance of doubt, Mezzanine Obligations shall not constitute PIK Obligations.

"**Portfolio**" means the Collateral Debt Obligations, Collateral Enhancement Obligations, Exchanged Security, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"**Portfolio Company**" means any company that is controlled by the Collateral Manager, an Affiliate thereof, or an account, fund, client or portfolio established and controlled by the Collateral Manager or an Affiliate thereof.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests each as defined in the Collateral Management Agreement.

"**Post-Acceleration Priority of Payments**" means the priority of payments set out in Condition 11 (*Enforcement*).

"**Post-Issue Date Ineligible Portfolio Obligations**" has the meaning given to it in the Collateral Management Agreement

"**Pre-adjustment Reinvestment Target Par Amount**" means the Target Par Amount minus the Reinvestment Target Par Adjustment Amount.

"**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.

"**Primary Market**" means, in respect of a Collateral Debt Obligation, the Issuer (or the Collateral Manager on the Issuer's behalf) entered into a binding commitment to purchase such Collateral Debt Obligation within six months of the date of issue of such Collateral Debt Obligation and in the case of a Collateral Debt Obligation which is a Restructured Obligation, within six months of the relevant Restructuring Date.

"**Principal Account**" means the account described as such in the name of the Issuer with the Custodian.

"**Principal Amount Outstanding**" means, in relation to any Class of Notes and at any time, the aggregate principal amount outstanding under such Class of Notes at that time, which, in the case of the Class C Notes, the Class D Notes and the Class E Notes, shall include 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 or the right to give directions or instructions attributable to the Class C Notes, the Class D Notes and the 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 (i) subject to paragraph (e) below, with respect to any Exchanged Security and any Collateral Enhancement Obligation, zero; (ii) with respect to cash, the amount of such cash, *provided* that if such cash amount is in a currency other than Euro it will be converted into Euro at the Applicable Exchange Rate; and (iii) with respect to any Collateral Debt Obligation or Eligible Investment, 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 Obligation, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Obligation), *provided*, *however*, that:

(a) the Principal Balance of any Revolving Obligation and Delayed Drawdown Collateral Debt Obligation as of any date of determination, shall be the outstanding principal amount of such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation;

(b) the Principal Balance of any Non-Euro Obligation shall be:

  (i) in the case of an Asset Swap Obligation, the Euro notional amount of the Asset Swap Transaction entered into in respect thereof; or

  (ii) in the case of an Unhedged Collateral Debt Obligation:

    (A) if the Issuer (or the Collateral Manager on its behalf) confirms in writing to the Collateral Administrator that the Issuer (or the Collateral Manager on its behalf) intends to enter into an Asset Swap Transaction, on or prior to the settlement date, in respect of such Unhedged Collateral Debt Obligation, the product of (1) 100 per cent. of the principal amount of such Unhedged Collateral Debt Obligation and (2) the prevailing Spot Rate;

    (B) following the trade date thereof and until six months after the settlement date thereof, if such Unhedged Collateral Debt Obligation is denominated in a Qualifying Unhedged Obligation Currency and was purchased in the Primary Market, the product of (1) 50 per cent. of the principal amount of such Unhedged Collateral Debt Obligation and (2) the prevailing Spot Rate; and

    (C) in respect of any other Unhedged Collateral Debt Obligation, zero;

(c) if in respect of any Corporate Rescue Loan either (A) (x) no Fitch Rating is available or (y) no credit estimate assigned to it by Fitch, in each case, within 90 days following the Issuer entering into a binding commitment to acquire such Corporate Rescue Loan, then the Principal Balance of such Corporate Rescue Loan shall be its Fitch Collateral Value unless and until a Fitch Rating or credit estimate is available or assigned by Fitch or (B) (x) no S&P Rating is available or (y) no credit estimate assigned to it by S&P, in each case, within 90 days following the Issuer entering into a binding commitment to acquire such Corporate Rescue Loan, then the Principal Balance of such Corporate Rescue Loan shall be its S&P Collateral Value unless and until an S&P Issuer Credit Rating or credit estimate is available or assigned by S&P, *provided* that if both paragraphs (A) and (B) apply then the Principal Balance of such Corporate Rescue Loan shall be the lower of its Fitch Collateral Value and its S&P Collateral Value;

(d) the Principal Balance of Defaulted Obligations shall be excluded for the purposes of calculating the Collateral Quality Tests and the Portfolio Profile Tests;

(e) for the purposes of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the EU Retention Requirements, including whether a Retention Deficiency has occurred, the Principal Balance of any Exchanged Security or any other obligation which does not constitute a Collateral Debt Obligation (other than any Collateral Enhancement Obligation) shall be:

(i) in the case of a debt obligation or security, the principal amount outstanding of such obligation;

(ii) in the case of an equity security received upon a "debt for equity swap" in relation to a restructuring, the nominal value shall equal the principal amount outstanding of the debt which was swapped for the equity securities; and

(iii) in the case of any other equity securities, the nominal value thereof as reasonably determined by the Collateral Manager,

and, where applicable, converted into Euro at the applicable Spot Rate; and

(f) solely for the purposes of calculation of the Excess Par Amount, the Principal Balance of any Defaulted Obligation shall be the lower of its (i) Fitch Collateral Value and (ii) S&P Collateral Value.

"**Principal Proceeds**" means all amounts paid or payable 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*).

"**Principal Proceeds Priority of Payments**" means the priority of payments in respect of Principal Proceeds set out in Condition 3(c)(ii) (*Application of Principal Proceeds*).

"**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*), (iii) in connection with any Optional Redemption of the Notes in part but not in whole pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*) and the Refinancing Proceeds and Partial Redemption Interest Proceeds in relation thereto or (iv) following the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*), which, if such acceleration is by way of the delivery of an Acceleration Notice, such Acceleration Notice has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), in the case of Interest Proceeds, the Interest Proceeds Priority of Payments and in the case of Principal Proceeds, the Principal Proceeds Priority of Payments;

(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 acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*), which, if such acceleration is by way of the delivery of an Acceleration Notice, such Acceleration Notice has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), the Post-Acceleration Priority of Payments;

(c) in connection with any Optional Redemption of the Notes in part but not in whole pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*) and the Refinancing Proceeds and Partial Redemption Interest Proceeds in relation thereto, the Partial Redemption Priority of Payments; and

(d) in the case of Collateral Enhancement Obligation Proceeds, the Collateral Enhancement Obligation Proceeds Priority of Payments set out in Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*).

"**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 Debt Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Debt 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. Any accrued interest on Collateral Debt Obligations which the Issuer is paying to the Warehouse Providers on the Issue Date in accordance with the Warehouse Arrangements shall also constitute Purchased Accrued Interest when such interest amounts are received by the Issuer in respect of such Collateral Debt Obligations.

"**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.

"**Qualifying Country**" means each of Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Liechtenstein, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United States or the United Kingdom having a foreign currency issuer credit rating, at the time of acquisition of the relevant Eligible Investment, of at least "AA-" by Fitch and "AA-" by S&P or any other country which has been approved, at the time of acquisition of the relevant Eligible Investment, as a Qualifying Country by the Rating Agencies in writing.

"**Qualifying Currency**" means Euro, Sterling, U.S. Dollars, Czech Koruna, Danish Krone, Norwegian Krone, Swedish Krona, Canadian Dollars, Australian Dollars, New Zealand Dollars, Swiss Francs, Japanese Yen, Polish Zloty or any other currency in respect of which Rating Agency Confirmation has been received.

"**Qualifying Unhedged Obligation Currency**" means Sterling, U.S. Dollars, Norwegian Krone, Swedish Krona, Swiss Francs, or such other currency in respect of which Rating Agency Confirmation from S&P is received.

"**Rated Notes**" means each of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"**Rating Agencies**" means S&P and Fitch or, if S&P and/or Fitch cease to provide rating services, shall mean any other internationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer (subject to the approval of the Controlling Class, acting by Ordinary Resolution) (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 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 (or such other confirmation as the relevant Rating Agency is willing to provide from time to time 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, 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, determination or

appointment, *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, (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 Documents 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 Debt Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, pursuant to and in accordance with the Collateral Management Agreement.

"**Rating Requirement**" means:

(a) in the case of the Account Bank, the Custodian or any sub-custodian appointed by the Custodian:

(i) a long-term issuer credit rating of at least "A" by S&P and a short-term issuer credit rating of at least "A-1" by S&P or if it does not have such short-term rating, a long-term rating of at least "A+" by S&P; and

(ii) a long-term issuer default rating of at least "A" by Fitch and a short-term issuer default rating of at least "F1" by Fitch; and

(b) in the case of any Hedge Counterparty, the ratings requirement(s) as set out in the relevant Hedge Agreement; and

(c) in the case of a Selling Institution with regard to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table set forth in the Collateral Management Agreement; or

(d) in each case, if any of the requirements described in this definition are not satisfied by any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

"**Receiver**" has the meaning given thereto in Condition 10(a)(vi) (*Insolvency Proceedings*).

"**Reclassification Price**" has the meaning given to it in the Collateral Management Agreement.

"**Record Date**" means:

(a) in the case of Notes represented by Global Certificates, close of business on the Clearing System Business Day before the relevant due date for payment of principal and interest in respect of such Note; and

(b) in the case of Notes represented by Definitive Certificates, the 15th 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)(vi) (*Optional Redemption in whole of all Classes of Notes effected through Liquidation only*).

"**Redemption Notice**" means a redemption notice in the form available from any of the Transfer Agents which has been duly completed by a Noteholder and which specifies, among 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 (AA) of Condition 3(c)(i) (*Application of Interest Proceeds*), paragraph (Q) of Condition 3(c)(ii) (*Application of Principal Proceeds*), paragraphs (B) and (C) of Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*) and paragraph (W) 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 X Note, Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class M Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with, in the case of any Class X Note, Class A Note, Class B Note, Class C Note, Class D Note or Class E Note, any accrued and unpaid interest in respect thereof to the relevant day of redemption and in respect of the 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 would be due and payable on redemption of the Rated Notes and the Class M Notes on the scheduled Redemption Date pursuant to Condition 11(b) (*Enforcement*) 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*).

"**Reference Rate Modifier**" means a modifier applied to an Alternative Base Rate or other benchmark rate in order to cause such rate to be comparable to EURIBOR and/or LIBOR, which may include an addition to or subtraction from such unadjusted benchmark rate as identified by the Collateral Manager.

"**Refinancing**" has the meaning given to it in Condition 7(b)(v) (*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 Agreement, together with any counterpart, which shall be created, kept and maintained by the Registrar outside the United Kingdom.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to non-U.S. Persons in "offshore transactions" outside of the United States in reliance on Regulation S.

"**Reinvestment Criteria**" has the meaning given to it in the Collateral Management 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 and which will be satisfied on such Measurement Date if the Class E Par Value Ratio is at least equal to 110.34 per cent.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (i) 15 July 2023 (or if such date is not a Business Day, the next following Business Day); (ii) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (*provided* that, if such acceleration is by way of delivery of an Acceleration Notice, such 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 Debt Obligations in accordance with the Reinvestment Criteria.

"**Reinvestment Target Par Amount**" means, as of any date of determination, an amount equal to:

(a) the Pre-adjustment Reinvestment Target Par Amount; minus

(b) the amount of any reduction in the Principal Amount Outstanding of the Notes (other than the Class M Notes, the Class X Notes and the repayment of any Deferred Interest on any Class of Notes); plus

(c) the Principal Amount Outstanding of any additional Notes issued pursuant to Condition 17 (*Additional Issuances*), or, if greater, the aggregate amount of net proceeds that result from the issuance of such additional Notes.

"**Reinvestment Target Par Adjustment Amount**" means an amount calculated as follows:

(a) from the Issue Date to but excluding the Determination Date immediately prior to the Payment Date in 15 April 2022, zero;

(b) on each Determination Date thereafter, an amount calculated using the following formula:

(Base Amount x N) + (Variable Amount x NDD),

where:

"*Base Amount*" means EUR 4,000,000;

"*N*" means the number of full years passed since 15 April 2021;

"*NDD*" means the number of Determination Dates which have passed since the Determination Date immediately preceding the Payment Date falling in April, resetting to zero on each Determination Date immediately prior to the Payment Date in April in each year; and

"*Variable Amount*" means EUR 1,000,000.

"**Replacement Asset Swap Transaction**" means any Asset Swap Transaction entered into by the Issuer, or the Collateral Manager on its behalf, in accordance with the provisions of the Collateral Management Agreement upon termination of an existing Asset Swap Transaction on substantially the same terms as such terminated Asset Swap Transaction, that preserves for the Issuer the economic effect of the terminated Asset Swap Transaction, subject to such amendments thereto as may be agreed by the Collateral Manager, acting on behalf of the Issuer.

"**Replacement Interest Rate Hedge Transaction**" means any Interest Rate Hedge Transaction entered into by the Issuer, or the Collateral Manager on its behalf, in accordance with the provisions of the Collateral Management Agreement upon termination of an existing Interest Rate Hedge Transaction on substantially the same terms as such terminated Interest Rate Hedge Transaction, that preserves for the Issuer the economic effect of the terminated Interest Rate Hedge Transaction, subject to such amendments thereto as may be agreed by the Collateral Manager, acting on behalf of the Issuer.

"**Report**" means each Monthly Report, Payment Date Report and the Effective Date Report and, after the occurrence of the Securitisation Regulation Reporting Effective Date only, each Investor Report and Loan Report.

"**Reporting Agreement**" means an agreement in a form approved by the Rating Agencies entered into between the Issuer (or the Collateral Manager on its behalf) and a Hedge Counterparty for the provision of certain information in connection with the performance by such Hedge Counterparty of certain derivative transaction reporting obligations on behalf of the Issuer.

"**Reset Amendment**" means any amendment to any Transaction Document being effected contemporaneously with a Refinancing in whole pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*), other than such amendments which are permitted pursuant to Condition 7(b)(v)(E) (*Consequential Amendments*).

"**Resolution**" means any Ordinary Resolution or Extraordinary Resolution, as the context may require.

"**Restricted Trading Period**" means the period during which:

(a) the S&P Rating of the Class A Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Issue Date;

(b) the S&P Rating of the Class B Notes, or the Class C Notes is withdrawn (and not reinstated) or is two or more sub-categories below its rating on the Issue Date;

(c) the S&P Rating of the Class D Notes is withdrawn (and not reinstated) or is three or more sub-categories below its rating on the Issue Date;

(d) the Fitch Rating of the Class A Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Issue Date;

(e) the Fitch Rating of the Class B Notes or the Class C Notes is withdrawn (and not reinstated) or is two or more sub-categories below its rating on the Issue Date; or

(f) the Fitch Rating of the Class D Notes is withdrawn (and not reinstated) or is three or more sub-categories below its rating on the Issue Date,

provided that, in each case, such period shall not constitute a Restricted Trading Period if:

(i) the relevant Class of Notes is no longer outstanding;

(ii) the Controlling Class, acting by way of Ordinary Resolution, has agreed to waive the Restricted Trading Period unless and until the earlier of: (A) a further downgrade or withdrawal of such Fitch Rating or S&P Rating, as applicable, that, notwithstanding such waiver, would trigger a Restricted Trading Period under paragraph (a) or (b) above; and (B) the Controlling Class, acting by way of an Ordinary Resolution, has subsequently declared that such period shall be a Restricted Trading Period; or

(iii) during such period: (A) the Aggregate Collateral Balance is equal to or greater than the Reinvestment Target Par Amount; (B) each Collateral Quality Test is satisfied; and (C) each of the applicable Coverage Tests is satisfied.

For the avoidance of doubt, no Restricted Trading Period will restrict any sale of a Collateral Debt Obligation entered into by the Issuer at a time when a Restricted Trading Period was not in effect, regardless of whether such sale has settled.

"**Restructured Obligation**" means a Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt 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 provided that the failure of a Restructured Obligation to satisfy the Restructured Obligation Criteria at any time after the applicable Restructuring Date shall not cause such obligation to cease to constitute a Restructured Obligation unless it is subsequently restructured again, in which case such obligation shall constitute a Restructured Obligation provided it satisfies the Restructured Obligation Criteria as at its subsequent Restructuring Date.

"**Restructured Obligation Criteria**" means the restructured obligation criteria specified in the Collateral Management Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"**Restructuring Date**" means the date a restructuring of a Collateral Debt Obligation becomes binding on the holders thereof provided that if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

"**Retention**" means the Retention Holder's retention of a material net economic interest in the transaction which will be comprised of a first loss tranche which will be comprised of Subordinated Notes with a Principal Amount Outstanding such that the aggregate purchase price thereof equals no less than 5 per cent. of the Target Par Retention Amount.

"**Retention Deficiency**" means, as of any date of determination, an event which occurs when 5 per cent. of the Aggregate Collateral Balance is in excess of the Retention.

"**Retention Holder**" means Oaktree Capital Management (Europe) LLP in its capacity as retention holder or any successor, assign or transferee to the extent permitted under the Risk Retention Letter and the EU Retention Requirements and notified by Oaktree Capital Management (Europe) LLP or any successor, assign or transferee (to the extent permitted under the Risk Retention Letter and the EU Retention Requirements) in writing to the Trustee, the Collateral Administrator and the Issuer.

"**Retention Note Purchase Agreement**" means the retention note purchase agreement relating to the Retention Notes between the Initial Purchaser and the Retention Holder dated on or about the Issue Date.

"**Retention Notes**" has the meaning given to it in the Risk Retention Letter.

"**Revolving Obligation**" means any Collateral Debt Obligation (other than a Delayed Drawdown Collateral Debt 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 Debt Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"**Risk Retention Letter**" means the letter to be entered into between the Issuer, the Retention Holder, the Collateral Administrator, the Trustee and Barclays Bank PLC in its capacity as Initial Purchaser and Sole Arranger dated on or about the Issue Date (as may be amended, supplemented or replaced in accordance with the EU Retention Requirements).

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Notes**" means Notes offered for sale within the United States or to U.S. Persons (as defined in Regulation S) in reliance on Rule 144A.

"**Rule 17g-5**" means Rule 17g-5 under the Exchange Act as may be amended or replaced.

"**Rule 17g-10**" means Rule 17g-10 under the Exchange Act as may be amended or replaced.

"**S&P**" means S&P Global Ratings Europe Limited and any successor or successors thereto.

"**S&P CCC Obligations**" means all Collateral Debt Obligations, excluding Defaulted Obligations, with an S&P Rating of "CCC+" or lower.

"**S&P CDO Input Files**" has the meaning given to it in the Collateral Management Agreement.

"**S&P CDO Monitor BDR**" has the meaning given to it in the Collateral Management Agreement.

"**S&P CDO Monitor SDR**" has the meaning given to it in the Collateral Management Agreement.

"**S&P CDO Monitor Test**" has the meaning given to it in the Collateral Management Agreement.

"**S&P Collateral Value**" means for a Collateral Debt Obligation as at the applicable Measurement Date:

(a) for each Defaulted Obligation and Deferring Obligation the lower of:

  (i) its prevailing Market Value, multiplied by its Principal Balance; and

  (ii) the relevant S&P Recovery Rate, multiplied by its Principal Balance; or

(b) in the case of any other applicable Collateral Debt Obligation, the relevant S&P Recovery Rate multiplied by its Principal Balance,

provided that if the Market Value cannot be reasonably determined, the Market Value shall be deemed to be for this purpose the relevant S&P Recovery Rate.

"**S&P Industry Classification Group**" means an industry classification set out in the table in the Collateral Management Agreement or as otherwise modified, amended or replaced by S&P from time to time.

"**S&P Issuer Credit Rating**" has the meaning given to it in the Collateral Management Agreement.

"**S&P Rating**" has the meaning given to it in the Collateral Management Agreement.

"**S&P Recovery Rate**" means, in respect of each Collateral Debt Obligation and an assumed S&P rating of "AAA", the recovery rate determined in accordance with the Collateral Management Agreement or as so advised by S&P. Extracts of the S&P Recovery Rates applicable under the Collateral Management Agreement are set out in this Offering Circular.

"**S&P Test Matrices**" and "**S&P Test Matrix**" has the meaning given to it in the Collateral Management Agreement.

"**Sale Proceeds**" means:

(a) all proceeds received upon the sale of any Collateral Debt Obligation (save for any Asset Swap Obligation but including amounts transferred to the Principal Account in connection with the reclassification of any Collateral Debt Obligation as a Post-Issue Date Ineligible Portfolio Obligations in accordance with the Collateral Management Agreement) 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 Obligation; or (iv) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until (x) such amounts represent Defaulted Obligation Excess Amounts and (y) any Purchased Accrued Interest in relation to such Defaulted Obligation has been paid, together with all proceeds received upon the sale of any Collateral Enhancement Obligation or Exchanged Security;

(b) in the case of any Asset Swap Obligation, all amounts in Euro (or other currencies if applicable) payable to the Issuer by the applicable Asset Swap Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Debt Obligation as described in paragraph (a) above but amended to apply to such Asset Swap Obligation, under the related Asset Swap Transaction (after netting against any Asset Swap Termination Payment (determined without regard to the exclusions of unpaid amounts and Asset Swap Issuer Principal Exchange Amounts set forth in the definition thereof) payable by the Issuer in such circumstances); 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 in connection with sale, disposition or termination of such Collateral Debt Obligation.

"**Scheduled Periodic Asset Swap Counterparty Payment**" means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not principal) scheduled to be paid to the Issuer by the applicable Asset Swap Counterparty pursuant to the terms of such Asset Swap Transaction, excluding any Asset Swap Termination Receipts, any Asset Swap Replacement Receipts and any Asset Swap Counterparty Principal Exchange Amounts.

"**Scheduled Periodic Asset Swap Issuer Payment**" means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not principal) scheduled to be paid to the applicable Asset Swap Counterparty by the Issuer pursuant to the terms of such Asset Swap Transaction, excluding any Asset Swap Termination Payments, any Asset Swap Replacement Payments and any Asset Swap Issuer Principal Exchange Amounts.

"**Scheduled Periodic Interest Rate Hedge Counterparty Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Interest Rate Hedge Counterparty to the Issuer pursuant to the terms of such Interest Rate Hedge Agreement, excluding any Interest Rate Hedge Termination Receipt.

"**Scheduled Periodic Interest Rate Hedge Issuer Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Interest Rate Hedge Agreement, excluding any Interest Rate Hedge Termination Payment.

"**Scheduled Principal Proceeds**" means:

(a) in the case of any Collateral Debt Obligation (other than an Asset Swap Obligation), scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments);

(b) in the case of any Asset Swap Obligation, scheduled final and interim payments in the nature of principal exchanges payable to the Issuer by the applicable Asset Swap Counterparty under the related Asset Swap Transaction; and

(c) in the case of any Hedge Agreements, any Hedge Replacement Receipts and Hedge Termination Payments transferred from the Hedge Termination Account into the Principal Account.

"**Seasoning Period**" means a period of 15 Business Days occurring prior to the Issue Date.

"**Second Lien Loan**" means an obligation (other than a Secured Senior Loan or a Mezzanine Obligation) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation and includes a First Lien Last Out Loan.

"**Secured Party**" means each of the Trustee, the Class X Noteholders, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class M Noteholders, the Subordinated Noteholders, the Sole Arranger, the Initial Purchaser, the Collateral Manager, any Receiver or other Appointee, the Agents, each Hedge Counterparty and the Corporate Services Provider and "**Secured Parties**" means any two or more of them as the context so requires.

"**Secured Senior Bond**" means a Collateral Debt 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 accordance with the standard of care set out in the Collateral Management Agreement (which determination will not be called into question as a result of subsequent events), 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 80 per cent. of the equity interests in the shares 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 any revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may in each case have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan; *provided*, *further*, that, in respect of revolving loans and solely for the purposes of calculating the S&P Recovery Rate and the Fitch Recovery Rate, such higher priority assets may only represent up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Secured Senior Loan**" means a Collateral Debt Obligation (which may be a Revolving Obligation or a Delayed Drawdown Collateral Debt Obligation) that is a senior secured loan obligation as determined by the Collateral Manager in accordance with the standard of care set out in the Collateral Management Agreement (which determination will not be called into question as a result of subsequent events) 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 80 per cent. of the equity interests in the shares 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 paragraph (a) above provided any revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may in each case have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan; *provided*, *further*, that, in respect of revolving loans and solely for the purposes of calculating the S&P Recovery Rate and the Fitch Recovery Rate, such higher priority assets may only represent up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Secured Senior RCF Percentage**" means, in relation to a Secured Senior Bond or a Secured Senior Loan, 15 per cent. (or such higher percentage in respect of which Rating Agency Confirmation is obtained).

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securitisation Regulation**" means (EU) Regulation 2017/2402 (including any implementing regulation, secondary legislation, technical standards and official guidance relating thereto and in respect of Ireland, the Irish STS Regulations) as may be amended, replaced or supplemented from time to time and any UK legislation or regulation which implements the Securitisation Regulation into UK law.

"**Securitisation Regulation Reporting Effective Date**" means the date on which the regulatory technical standards relating to disclosure requirements under Article 7 of the Securitisation Regulation are adopted and implemented by the European Commission.

"**Selling Institution**" means an institution from whom (i) a Participation is taken and satisfies the applicable Rating Requirement; or (ii) an Assignment is acquired.

"**Semi-Annual Obligations**" means Collateral Debt Obligations which, at the relevant date of measurement, pay interest less frequently than quarterly but which are not Annual Obligations.

"**Senior Class M Interest Amount**" means the amount payable to the holders of the Class M Notes in arrear on each Payment Date in respect of the immediately preceding Due Period and on an available funds basis in accordance with the Priorities of Payment in an amount (exclusive of any VAT thereon), as determined by the Collateral Administrator equal to 0.03 per cent. *per annum* (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as 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) relating to the applicable Payment Date.

"**Senior Collateral 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 Agreement in an amount, as determined by the Collateral Administrator, equal to, in respect of each Payment Date, 0.12 per cent. *per annum* of the Aggregate Collateral Balance as at the beginning of the Due Period immediately preceding such Payment Date (exclusive of any VAT) (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period).

"**Senior Expenses Cap**" means, in respect of each Payment Date and the Due Period in respect of each Payment Date the sum of:

(a) €300,000 *per annum* (pro-rated for the Due Period relating to such Payment Date on the basis of a 360 day year comprised of twelve 30-day months); and

(b) 0.025 per cent. *per annum* (pro-rated for the Due Period relating to such Payment Date on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as at the Determination Date immediately preceding the Payment Date in respect of such Due Period,

provided, *however*, that:

(i) amounts in respect of any applicable VAT that are payable in respect of expenses expressed to be subject to the Senior Expenses Cap shall count towards the Senior Expenses Cap;

(ii) if the amount of Trustee Fees and Expenses and Administrative Expenses paid prior to the occurrence of a Frequency Switch Event on the three immediately preceding Payment Dates or, following the occurrence of a Frequency Switch Event, the immediately preceding Payment

Date or during the related Due Period(s) (including the Due Period relating to the current Payment Date) is less than the stated Senior Expenses Cap, the amount of each such shortfall (if any) shall be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, any such shortfall may not at any time result in an increase of the Senior Expenses Cap on a *per annum* basis; and

(iii) the Senior Expenses Cap in respect of the Payment Date immediately following a Partial Redemption Date shall be reduced (subject to a minimum value of zero) by the amount distributed under Condition 3(k)(i) and (ii) (*Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date*) on such Partial Redemption Date.

"**Senior Loan**" means a collateral debt obligation that is a Secured Senior Loan, an Unsecured Senior Obligation or a Second Lien Loan.

"**Similar Law**" means any federal, state, local, non-U.S. or other 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.

"**Sole Arranger**" means Barclays Bank PLC.

"**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.

"**Step-Down Coupon Security**" means an obligation in respect of which interest payments are scheduled to decrease as a function of the passage of time, *provided* that obligations in respect of which interest payments may decrease due to unscheduled events such as a decrease of the index relating to a Floating Rate Collateral Debt Obligation, the change from a default rate of interest to a non-default rate or an improvement in the Obligor's financial condition shall not constitute Step-Down Coupon Securities.

"**Sterling**" or "**GBP**" means pound sterling, being the lawful currency of the United Kingdom.

"**Subordinated Class M Interest Amount**" means the amount payable to the holders of the Class M Notes in arrear on each Payment Date in respect of the immediately preceding Due Period and on an available funds basis in accordance with the Priorities of Payment in an amount (exclusive of any VAT thereon), as determined by the Collateral Administrator equal to 0.05 per cent. *per annum* (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as 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) relating to the applicable Payment Date.

"**Subordinated Collateral 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 Agreement in an amount, as determined by the Collateral Administrator, equal to, in respect of each Payment Date, 0.20 per cent. *per annum* of the Aggregate Collateral Balance as at the beginning of the Due Period immediately preceding such Payment Date as determined by the Collateral Administrator (exclusive of any VAT) (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period).

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

"**Subordinated Notes Initial Offer Price Percentage**" means 100 per cent.

"**Subscription Agreement**" means the subscription agreement between the Issuer and the Initial Purchaser dated as of the Issue Date.

"**Substitute Collateral Debt Obligation**" means a Collateral Debt Obligation purchased in substitution for a previously held Collateral Debt Obligation pursuant to the terms of the Collateral Management Agreement and which satisfies the Eligibility Criteria and the purchase of which satisfies the Reinvestment Criteria.

"**Supplemental Reserve Account**" means an account in the name of the Issuer so entitled and held by the Account Bank.

"**Swap Tax Credit**" means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Hedge Counterparty to the Issuer or a reduced payment from the Issuer to the Hedge Counterparty.

"**Swapped Non-Discount Obligation**" means any Collateral Debt Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Debt Obligation (the "**Original Obligation**") that was not a Discount Obligation at the time of its purchase provided that such purchased Collateral Debt Obligation:

(a) is purchased or committed to be purchased within 20 Business Days of the sale of the Original Obligation;

(b) is purchased at a price not less than 60 per cent. of the Principal Balance thereof;

(c) the Fitch Rating thereof is equal to or higher than the Fitch Rating or the equivalent S&P Rating of the Original Obligation; and

(d) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the sold Original Obligation,

provided that:

(i) to the extent the Aggregate Principal Balance of all Swapped Non-Discount Obligations held by the Issuer as of the relevant date of determination exceeds 5 per cent. of the Aggregate Collateral Balance, such excess will constitute Discount Obligations;

(ii) to the extent the cumulative Aggregate Principal Balance of Collateral Debt Obligations which constitute Swapped Non-Discount Obligations acquired by the Issuer on or after the Issue Date exceeds 10 per cent. of the Target Par Amount, such excess will not constitute Swapped Non-Discount Obligations (and for the avoidance of doubt, such excess will instead constitute Discount Obligations); and

(iii) such Collateral Debt Obligation will cease to be a Swapped Non-Discount Obligation (and shall not constitute a Discount Obligation) at such time as the Market Value (expressed as a percentage of par) for such Collateral Debt Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Debt Obligation equals or exceeds (i) for a Floating Rate Collateral Debt Obligation, 90 per cent. or (ii) for all other Collateral Debt Obligations, 85 per cent.

"**Target Par Amount**" means €300,000,000.

"**Target Par Retention Amount**" means €304,000,000, *provided* that (i) upon the issuance of any additional Notes pursuant to Condition 17 (*Additional Issuances*), such amount shall be increased by the Principal Amount Outstanding of such additional Notes, or, if greater, the aggregate amount of the Principal Proceeds that result from the issuance of such additional Notes and (ii) the Collateral Manager may, at any time by written notice to the Issuer, the Trustee and the Collateral Administrator (which may be given by email), elect to increase the Target Par Retention Amount, such increase being effective as at the date specified in such notice, *provided* that such increase shall not cause a Retention Deficiency.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer system (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**Third Party Indemnity Receipts**" has the meaning given to it in Condition 3(j)(xi) (*Expense Reserve Account*).

"**Trading Gains**" means, in respect of any Collateral Debt Obligation which is repaid, prepaid, redeemed or sold, any excess of the Principal Proceeds or Sale Proceeds thereof over the greater of (a) the purchase price (inclusive of transfer costs) paid by or on behalf of the Issuer for such Collateral Debt Obligation and (b) the principal balance of such Collateral Debt Obligation as determined at the time of such repayment, prepayment, redemption or sale thereof, in each case net of (i) any expenses incurred in connection with any such repayment, prepayment, redemption or sale thereof and (ii) any accrued (but uncapitalised) interest included in any Sale Proceeds (if applicable).

"**Transaction Documents**" means the Trust Deed (including these Conditions), the Agency Agreement, the Subscription Agreement, the Collateral Management Agreement, any Hedge Agreements, the Risk Retention Letter, the Retention Note Purchase Agreement, the Collateral Acquisition Agreements, the Participation Agreements, the Corporate Services Agreement, the Warehouse Deed of Release, any Reporting Agreement and any document supplemental thereto or issued in connection therewith.

"**Trustee Fees and Expenses**" means the costs, fees and expenses and all other liabilities (including by way of indemnity and including, without limitation, legal fees) and all other amounts payable to the Trustee or any Appointee pursuant to the Trust Deed or any other Transaction Document from time to time plus any applicable VAT thereon payable under the Trust Deed or any other Transaction Document, including indemnity payments and any fees, costs, charges and expenses incurred by the Trustee in respect of any Refinancing (and to the extent such amounts relate to costs, fees and expenses, such VAT to be limited to irrecoverable VAT).

"**UCITS Directive**" means Directive 2009/65/EC on Undertakings for Collective Investment in Transferable Securities (as amended from time to time) including any implementing and/or delegated regulations, technical standards and guidance related hereto.

"**Unadjusted Reinvestment Target Par Amount**" means, as of any date of determination, an amount equal to:

(a) the Target Par Amount; minus

(b) the amount of any reduction in the Principal Amount Outstanding of the Notes (other than the Class M Notes, the Class X Notes and the repayment of any Deferred Interest on any Class of Notes); plus

(c) the Principal Amount Outstanding of any additional Notes issued pursuant to Condition 17 (*Additional Issuances*), or, if greater, the aggregate amount of net proceeds that result from the issuance of such additional Notes.

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Collateral Debt Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Debt Obligation or under which the holders or creditors under such Collateral Debt Obligation are the beneficiaries.

"**Unfunded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Obligation or Delayed Drawdown Collateral Debt 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 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 Debt Obligations and Revolving Obligations.

"**Unhedged Collateral Debt Obligation**" means a Non-Euro Obligation which is not the subject, at the time of determination, of an Asset Swap Transaction.

"**Unpaid Class X Principal Amortisation Amount**" means, for any Payment Date, the aggregate amount of all or a portion of the Class X Principal Amortisation Amount for any prior Payment Dates that were not paid on such prior Payment Dates.

"**Unscheduled Payment Date**" has the meaning given to it in Condition 3(l) (*Unscheduled Payment Dates*).

"**Unscheduled Principal Proceeds**" means (a) with respect to any Collateral Debt Obligation (other than an Asset Swap Obligation), principal proceeds received by the Issuer prior to the Collateral Debt 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 Debt Obligation) and (b) in the case of any Asset Swap Obligation, the Asset Swap Counterparty Principal Exchange Amount payable in respect of the amounts referred to in (a) above pursuant to the related Asset Swap Transaction, together with (i) any related Asset Swap Termination Receipts but less any related Asset Swap Termination Payment (to the extent any are payable and in each case determined without regard to the exclusions of unpaid amounts and Asset Swap Counterparty Principal Exchange Amounts or (as applicable) Asset Swap Issuer Principal Exchange Amounts set forth in the definitions thereof) and only to the extent not required for application towards the cost of entry into a Replacement Asset Swap Transaction and (ii) any related Asset Swap Replacement Receipts but only to the extent not required for application towards any related Asset Swap Termination Payments.

"**Unsecured Senior Obligation**" means a Collateral Debt Obligation that:

(a) is a loan obligation senior to any unsecured, subordinated obligation of the Obligor as determined by the Collateral Manager in accordance with the standard of care set out in the Collateral Management Agreement (which determination will not be called into question as a result of subsequent events); 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 80 per cent. of the equity interests in the shares of an entity owning such fixed assets.

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

"**U.S. Dollars**" or "**U.S.$**", means United States dollars, being the lawful currency of the United States of America.

"**U.S. Person**" means a "U.S. person" as such term is defined under Regulation S.

"**U.S. Risk Retention Rules**" means Section 15G of the Exchange Act as amended from time to time and the joint final rules promulgated thereunder.

"**VAT**" means:

(a) any tax, interest or penalties imposed in compliance with the European Council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to Ireland, value added tax imposed by the Value Added Tax Consolidation Act 2010 and supplemental legislation and regulations and, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and supplemental legislation and regulations); and

(b) any other tax, interest or penalties of a similar nature, whether imposed in a member state of the European Union or the United Kingdom in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or elsewhere.

"**Volcker Rule**" means Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules thereunder.

"**Waived Incentive Collateral Management Amounts**" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Warehouse Arrangements**" means the financing arrangement entered into by the Issuer prior to the Issue Date to finance the acquisition of certain Collateral Debt Obligations prior to the Issue Date.

"**Warehouse Deed of Release**" means the deed of release dated the Issue Date relating to the termination of the Warehouse Arrangements.

"**Warehouse Providers**" means the lenders and investors pursuant to the Warehouse Arrangements.

"**Weighted Average Floating Spread**" has the meaning given to it in the Collateral Management Agreement.

"**Weighted Average Life Test**" has the meaning given to it in the Collateral Management 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 may be issued in (i) global, certificated, fully registered form, without interest coupons, talons and principal receipts attached or (ii) definitive, certificated, fully registered form, without interest coupons, talons and principal receipts attached, in each case, in the applicable Minimum Denomination and integral multiples of any Authorised Integral Amount in excess thereof. A Global Certificate or Definitive Certificate (as applicable) 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 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*

In respect of Notes represented by a Definitive Certificate, one or more such 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 any 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.

Interests in a Global Certificate will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

(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, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be mailed by prepaid first class post, 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 Global Certificates or Definitive Certificates (as applicable) representing such Notes in accordance with these Conditions of the Notes on registration or transfer will be effected without charge to the Noteholder by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant 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 any 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 a holder of Rule 144A Notes (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 within such 30-day period, (a) upon direction from the Issuer or the Collateral Manager on its behalf, a Transfer Agent, on behalf of and at the expense of the Issuer, shall cause such Notes to be transferred in a sale to a person or entity that certifies to the Issuer and such 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 Notes 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 to the Non-Permitted Holder by its acceptance of an interest in the 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 the Issuer shall not 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.

(i) *Forced sale pursuant to FATCA*

Each Noteholder (which, for the purposes of this Condition 2(i) (*Forced sale pursuant to FATCA*) may include a nominee or beneficial owner of a Note) will agree to provide the Issuer and its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to comply with FATCA and CRS and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the Noteholder fails to provide such information or documentation for the purposes of FATCA, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to tax under FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to the Noteholder as compensation for any taxes to which the Issuer is subject under FATCA as a result of such failure or the Noteholder's ownership of Notes, and (B) to the extent

necessary to avoid an adverse effect on the Issuer as a result of such failure or the Noteholder's ownership of Notes, the Issuer will have the right to compel the Noteholder to sell its Notes (other than the Retention Notes), and, if the Noteholder does not sell its Notes within 10 Business Days after notice from the Issuer or any agent of the Issuer, the Issuer will have the right to sell such Notes (other than the Retention Notes) at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any costs, charges, and any taxes incurred by the Issuer in connection with such sale) to the Noteholder as payment in full for such Notes. The Issuer may also assign each such Note a separate securities identifier in the Issuer's sole discretion. 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.

(j) *Forced Transfer pursuant to ERISA*

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person, 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 Title I of ERISA and Section 4975 of the Code (any such Noteholder a "**Non-Permitted ERISA Holder**"), the Non-Permitted ERISA Holder 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 ERISA Holder will receive the balance, if any.

(k) *Forced Transfer mechanics*

In order to effect the forced transfer provisions set out in Conditions (h) (*Forced Transfer of Rule 144A Notes*), (i) (*Forced sale pursuant to FATCA*) and (j) (*Forced Transfer pursuant to ERISA*), the Issuer may repay any affected Notes and issue replacement Notes at the same price and the Issuer, the Trustee and the Agents (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*

Each Noteholder and each Person in the chain of title from each Noteholder, by its acquisition of an interest in the Notes, shall be deemed to authorise 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 (h) (*Forced Transfer of Rule 144A Notes*), (i) (*Forced sale pursuant to FATCA*) and (j) (*Forced Transfer pursuant to ERISA*) above without the need for any further express instruction from any affected Noteholder. The Noteholders shall be bound by any actions taken by the Registrar, the Clearing Systems or any other party taken pursuant to the above-named Conditions.

(m) *CM Voting Notes and CM Non-Voting Notes*

The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes may be in the form of CM Voting Notes, CM Non-Voting Notes or CM Exchangeable Non-Voting Notes. CM Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of, any CM Replacement Resolution and any CM Removal Resolution. CM Non-Voting Notes and CM Exchangeable Non-Voting Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on any CM Removal Resolution or any CM Replacement Resolution, but shall carry a right to vote on and be counted in respect of all other matters in respect of which the CM Voting Notes have a right to vote and be counted.

CM Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into CM Exchangeable Non-Voting Notes or CM Non-Voting Notes. CM Exchangeable Non-Voting Notes shall be exchangeable upon request by the relevant Noteholder into:

(a) CM Non-Voting Notes at any time; or

(b) CM Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor and in no other circumstance.

CM Non-Voting Notes shall not be exchangeable at any time into CM Voting Notes or CM Exchangeable Non-Voting Notes.

Any such right to exchange a Note, as described and subject to the limitations set out in the immediately prior paragraph, may be exchanged by a Noteholder holding a Definitive Certificate or a beneficial interest in a Global Certificate delivering to the Registrar or a Transfer Agent a duly completed exchange request substantially in the form provided in the Trust Deed.

(n) *Contributions*

At any time any Subordinated Noteholder may:

(a) make a contribution of cash; or

(b) by notice in writing to the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager, designate for contribution to the Issuer any portion of Interest Proceeds or Principal Proceeds that would otherwise be distributed on its Notes in accordance with the Priorities of Payments,

(each, a "**Contribution**" and each such Subordinated Noteholder, a "**Contributor**"); and if more than one Subordinated Noteholder makes a Contribution on the same date it shall be considered to be a single Contribution. The Collateral Manager, on behalf of the Issuer, may accept or reject any Contribution in its reasonable discretion, *provided* that:

(i) the Collateral Manager shall reject any Contribution or portion thereof which would result in a Retention Deficiency;

(ii) on each occasion, the Collateral Manager shall reject any contribution of less than €1,000,000;

(iii) not more than 5 Contributions in total may be made by Noteholders pursuant to this Condition (n) (*Contributions*); and

(iv) on and after the expiry of the Reinvestment Period, the Collateral Manager may only accept a Contribution if the Class E Par Value Test would be satisfied if recalculated following such Contribution.

If a Contribution is accepted, it will be received into the Contributions Account and applied by the Collateral Manager on behalf of the Issuer as directed by the Contributor at the time such Contribution is made (or, if no direction is given by the Contributor, at the Collateral Manager's reasonable discretion) in accordance with Condition 3(j)(viii) (*Contributions Account*). No Contribution or portion thereof will be returned to the Contributor at any time other than by operation of the Priorities of Payments.

Notwithstanding the above, so long as any Class of Notes is represented by a Global Certificate, Contributions made by the Noteholders of that Class pursuant to Condition (n) (*Contributions*) may only be given in cash.

3. STATUS

(a) *Status*

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse and*

Non-Petition). The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference among 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 Senior Class M Interest Amounts will rank senior to payments of interest on each Payment Date in respect of each other Class; payments of interest on the Class X Notes and the Class A Notes will rank senior to payments of interest on each Payment Date in respect of each other Class (save for the Class M Notes in respect of the Senior Class M Interest Amounts) (and shall rank *pari passu* among themselves); payment of interest on the Class B Notes will be subordinated in right of payment to payments on the Class M Notes in respect of the Senior Class M Interest Amounts, the Class X Notes and the Class A Notes, but senior in right of payment to payments of interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class M Notes in respect of Subordinated Class M Interest Amounts and the Subordinated Notes (and shall rank *pari passu* among themselves); payment of interest on the Class C Notes will be subordinated in right of payment to payments of interest in respect of the Class M Notes in respect of the Senior Class M Interest Amounts, the Class X Notes, the Class A Notes and the Class B Notes, but senior in right of payment to payments of interest on the Class D Notes, the Class E Notes, the Class M Notes in respect of Subordinated Class M Interest Amounts 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 M Notes in respect of the Senior Class M Interest Amounts, the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes, but senior in right of payment to payments of interest on the Class E Notes, the Class M Notes in respect of Subordinated Class M Interest Amounts 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 M Notes in respect of the Senior Class M Interest Amounts, the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but senior in right of payment to payments of interest on the Class M Notes in respect of the Subordinated Class M Interest Accounts and the Subordinated Notes. Payments of Subordinated Class M Interest Amounts on the Class M Notes will be subordinated in right of payment to payments of the Class M Notes in respect of the Senior Class M Interest Amounts, and payments of interest in respect of the Rated Notes, but senior in right of payment to payment 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 and the Class M Notes. Interest on the Subordinated Notes shall be paid *pari passu* and without any preference among themselves.

No amount of principal in respect of the Class X Notes and the Class A Notes shall become due and payable until the payment of accrued and unpaid Senior Class M Interest Amounts on the Class M Notes. No amount of principal in respect of the Class B Notes shall become due and payable until the payment of accrued and unpaid Senior Class M Interest Amounts on the Class M Notes and redemption and payment in full of the Class X Notes and the Class A Notes. No amount of principal in respect of the Class C Notes shall become due and payable until the payment of accrued and unpaid Senior Class M Interest Amounts on the Class M Notes and redemption and payment in full of the Class X Notes, the Class A Notes and the Class B Notes. No amount of principal in respect of the Class D Notes shall become due and payable until the payment of accrued and unpaid Senior Class M Interest Amounts on the Class M Notes and redemption and payment in full of the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes. No amount of principal in respect of the Class E Notes shall become due and payable until the payment of accrued and unpaid Senior Class M Interest Amounts on the Class M Notes and redemption and payment in full of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. Payments of principal on the Class X Notes and the Class A Notes will rank *pari passu* in right of payment. Payments of principal on the Class B-1 Notes and the Class B-2 Notes will rank *pari passu* in right of payment. 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 Proceeds Priority of Payments on a *pari passu* basis. Payments on the Subordinated Notes are subordinated to payments on the Rated Notes, the Class M 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, the Class M Notes and other payments ranking prior to the Subordinated Notes in accordance with the Priorities of Payments are paid in full.

Payments of principal on the Class M Notes shall be made by application of the Senior Class M Interest Amounts and the Subordinated Class M Interest Amounts, in each case on an available funds basis subject to and in accordance with the Priorities of Payments.

Notwithstanding the foregoing pursuant to paragraphs (E) and (U) of the Interest Proceeds Priority of Payments, Interest Proceeds will be applied in redemption of the Class M Notes in circumstances where one or more Classes of Rated Notes remain Outstanding in accordance with Condition 7(l) (*Mandatory Redemption of Class M Notes*).

(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 Agreement on each Determination Date), on behalf of the Issuer (i) on each Payment Date prior to the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*); (ii) following the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*), which, if such acceleration is by way of the delivery of an Acceleration Notice (deemed or otherwise), such Acceleration Notice has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*); (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 to Interest Proceeds and Principal Proceeds, but not, for the avoidance of doubt, Collateral Enhancement Obligation Proceeds which shall be distributed in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments); and (iv) other than in connection with an Optional Redemption of the Notes in part but not in whole pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*) (in which event the Partial Redemption Priority of Payments shall apply to the Refinancing Proceeds and Partial Redemption Interest Proceeds), instruct 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 (and in the case of any Payment Date that is a Partial Redemption Date, only after the application of Refinancing Proceeds and Partial Redemption Interest Proceeds in accordance with Condition 3(k) (*Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date*)):

(A) to the payment of: (i) *firstly*, taxes owing by the Issuer payable in the related Due Period (other than amounts payable in respect of VAT to the recipient of a payment made by the Issuer pursuant to the Priorities of Payments, amounts payable in respect of VAT to the relevant tax authority in respect of any Collateral Management Fee, "gross-up" payments and Irish corporation tax payable in respect of the Issuer Fee referred to in (ii) below), as certified by an Authorised Officer of the Issuer to the Trustee, if any; and (ii) *secondly*, the Issuer Fee to be retained by the Issuer for Irish corporate and tax purposes, for deposit into the Issuer Irish Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses, up to an amount equal to the sum of the Senior Expenses Cap in respect of the related Due Period and the Balance of the Expense Reserve Account (excluding Third Party Indemnity Receipts) as of the immediately preceding Determination Date, *provided* that following the occurrence of a Note Event of Default which is continuing, payment of Trustee Fees and Expenses under this paragraph shall not be limited to an amount equal to the Senior Expenses Cap and the Balance of the Expense Reserve Account (excluding Third Party Indemnity Receipts);

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof, up to an amount equal to the sum of the Senior Expenses Cap in respect of the related Due Period and the Balance of the Expense Reserve Account (excluding Third Party Indemnity Receipts) as of the immediately preceding Determination Date less any amounts paid pursuant to paragraph (B) above provided that following the occurrence of a Note Event of Default which is continuing,

payment of the Administrative Expenses under this paragraph shall not be limited to an amount equal to the Senior Expenses Cap and the Balance of the Expense Reserve Account;

(D) to the Expense Reserve Account:

(1) at any time prior to the occurrence of a Frequency Switch Event, of an amount equal to the lesser of (x) an amount up to or equal to the On-going Expense Reserve Amount and (y) an amount designated by the Collateral Manager at its discretion; and

(2) at any time following the occurrence of a Frequency Switch Event, of an amount up to or equal to the On-going Expense Reserve Amount;

(E) to the payment:

(1) *firstly*, on a *pro rata* and *pari passu* basis to: (i) the Collateral Manager of the Senior Collateral Management Fee due and payable on such Payment Date (save for any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) except that the Collateral Manager may, in its sole discretion, elect to (x) designate for reinvestment or (y) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (E) (any such amounts being "**Deferred Senior Collateral Management Amounts**") on any Payment Date, *provided* that any such amount designated for reinvestment pursuant to paragraph (x) shall (a)(i) be used to purchase Substitute Collateral Debt Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Debt Obligations (*provided* that such purchase or deposit would not cause a Retention Deficiency) and (b) not be treated as unpaid for the purposes of this paragraph (E) or paragraph (U) below or in the case of a deferral pursuant to paragraph (y), shall be applied to the payment of amounts in accordance with paragraphs (F) through (V) and (Y) through (AA) 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 and *provided* that interest shall not accrue on any Deferred Senior Collateral Management Amount so designated or deferred; and (ii) the Class M Noteholders of any Senior Class M Interest Amounts due and payable on the Class M Notes in respect of the Accrual Period ending on the Business Day immediately preceding such Payment Date (excluding any Deferred Interest thereon) towards the redemption on a *pro rata* basis of the Class M Notes until the Principal Amount Outstanding of the Class M Notes is equal to €1.00 and thereafter, in payment of any remaining such Senior Class M Interest Amounts as interest thereon until such Senior Class M Interest Amount has been paid in full; and

(2) *secondly*, on a *pro rata* and *pari passu* basis to: (i) the Collateral Manager, any previously due and unpaid Senior Collateral Management Fees and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority; and (ii) the Class M Noteholders of any Deferred Interest on the Class M Notes attributable to unpaid Senior Class M Interest Amounts which is due and payable pursuant to Condition 6(d) (*Payment of Deferred Interest*) towards the redemption on a *pro rata* basis of the Class M Notes until the Principal Amount Outstanding of the Class M Notes is equal to €1.00 and thereafter, in payment of any remaining such Senior Class M Interest Amounts as interest thereon until such Senior Class M Interest Amount has been paid in full;

(F) to the payment on a *pro rata* and *pari passu* basis, of any Scheduled Periodic Interest Rate Hedge Issuer Payments (to the extent not paid or provided for out of the Interest Account), Scheduled Periodic Asset Swap Issuer Payments (to the extent not paid or provided for out of the relevant Asset Swap Account) and Hedge Termination Payments (other than Defaulted Hedge Termination Payments) (to the extent not paid out of the Hedge Termination Account or the Counterparty Downgrade Collateral Account);

(G) to the payment on a *pro rata* and *pari passu* basis of (i)(a) the Interest Amounts due and payable on the Class X Notes in respect of the Accrual Period ending immediately prior to such Payment Date, (b) the Class X Principal Amortisation Amount due and payable on such Payment Date

and (c) any Unpaid Class X Principal Amortisation Amount as of such Payment Date, (ii) the Interest Amounts due and payable on the Class A Notes in respect of the Accrual Period ending immediately prior to such Payment Date and (iii) all other Interest Amounts due and payable on such Class A Notes and Class X Notes;

(H) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class B Notes in respect of the Accrual Period ending immediately prior to such Payment Date and all other Interest Amounts due and payable on such Class B Notes;

(I) if either of the Class A/B Coverage Tests is not satisfied on any Determination Date on and after the Effective Date, or in the case of the Class A/B Interest Coverage Test, on the Determination Date immediately preceding the second Payment Date and each 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/B Coverage Test to be satisfied (if applicable) if recalculated following such redemption;

(J) 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 immediately prior to such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(K) 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*);

(L) 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 immediately preceding the second Payment Date and each 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 (if applicable) to be satisfied if recalculated following such redemption;

(M) 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 immediately prior to such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(N) 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*);

(O) 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 immediately preceding the second Payment Date and each 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 (if applicable) to be satisfied if recalculated following such redemption;

(P) 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 immediately prior to such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(Q) 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*);

(R) if the Class E Par Value Test is not satisfied on any Determination Date on and after the end of the Reinvestment Period only, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause the Class E Par Value Test to be satisfied if recalculated following such redemption;

(S) 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, at the discretion of the Collateral

Manager, (x) the purchase of Collateral Debt Obligations or to the Principal Account pending reinvestment in Collateral Debt Obligations at a later date in accordance with the Collateral Management Agreement only until an Effective Date Rating Event is no longer continuing or (y) redeem the Notes in accordance with the Note Payment Sequence until an Effective Date Rating Event is no longer continuing;

(T) if, on any Determination Date on and after the Effective Date and during the Reinvestment Period, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (S) (inclusive) above, the Reinvestment Overcollateralisation Test has not been satisfied, to the payment to the Principal Account as Principal Proceeds, for the acquisition of additional Collateral Debt Obligations (*provided* that such acquisition would not cause a Retention Deficiency) (or, if the Collateral Manager determines that it is unable to identify such additional Collateral Debt Obligations that it considers appropriate for such reinvestment, in redemption by way of Special Redemption of the Notes in accordance with the Note Payment Sequence) 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 (S) (inclusive) above, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied;

(U) to the payment:

(1) *firstly*, on a *pro rata* and *pari passu* basis to: (i) the Collateral Manager of the Subordinated Collateral Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) until such amount has been paid in full except that the Collateral Manager may, in its sole discretion, elect to (x) designate for reinvestment or (y) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (U) (any such amounts, being "**Deferred Subordinated Collateral Management Amounts**") on any Payment Date, *provided* that any such amount in the case of (x) shall (a)(i) be used to purchase Substitute Collateral Debt Obligations (*provided* that such purchase would not cause a Retention Deficiency) or to purchase Rated Notes in accordance with Condition 7(k) (*Purchase*) or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Debt Obligations or the purchase of Rated Notes in accordance with Condition 7(k) (*Purchase*) and (b) not be treated as unpaid for the purposes of paragraph (E) above or this paragraph (U) or in the case of (y), shall be applied to the payment of amounts in accordance with paragraphs (V) through (AA) 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 and provided that interest shall not accrue on any Deferred Subordinated Collateral Management Amount so designated or deferred; and (ii) the Class M Noteholders of any Subordinated Class M Interest Amounts due and payable on the Class M Notes in respect of the Accrual Period ending on the Business Day immediately preceding such Payment Date (excluding any Deferred Interest thereon) towards the redemption on a *pro rata* basis of the Class M Notes until the Principal Amount Outstanding of the Class M Notes is equal to €1.00 and thereafter, in payment of any remaining such Subordinated Class M Interest Amounts as interest thereon until such Subordinated Class M Interest Amount has been paid in full;

(2) *secondly*, on a *pro rata* and *pari passu* basis to: (i) the Collateral Manager of any previously due and unpaid Subordinated Collateral Management Fee, plus any interest accrued and payable in respect thereof (other than Deferred Subordinated Collateral Management Amounts) and any interest due and accrued on any due and unpaid Senior Collateral Management Fee (other than Deferred Senior Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); and (ii) the Class M Noteholders of any Deferred Interest on the Class M Notes attributable to unpaid Subordinated Class M Interest Amounts which is due and payable pursuant to Condition 6(d) (*Payment of Deferred Interest*) towards the redemption on a *pro rata* basis of the Class M Notes until the Principal Amount Outstanding of the Class M Notes is equal to €1.00 and thereafter, in payment of any remaining such

Subordinated Class M Interest Amounts as interest thereon until such Subordinated Class M Interest Amount has been paid in full; and

(3) *thirdly*, at the election of the Collateral Manager (at its sole discretion) to the Collateral Manager in payment of any previously Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts;

(V) to the payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(W) to the payment 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;

(X) to the payment on a *pro rata* basis of any Defaulted Hedge Termination Payments due to any Hedge Counterparty;

(Y) to the repayment of any Collateral Manager Advances and any interest thereon;

(Z) during the Reinvestment Period at the direction and in the discretion of the Collateral Manager, to transfer to the Collateral Enhancement Account, any Collateral Enhancement Amounts;

(AA) (1) *firstly*, 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) *secondly*, 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 Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Collateral Enhancement Obligation Proceeds Priority of Payments, the Incentive Collateral Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) *firstly*, 20 per cent. of any remaining Interest Proceeds, to the payment to the Collateral Manager as an Incentive Collateral Management Fee, except that the Collateral Manager may, in its sole discretion, elect to (x) designate for reinvestment or (y) irrevocably waive payment of some or all of the amounts that would have been payable to the Collateral Manager (any such amounts being "**Waived Incentive Collateral Management Amounts**") under this paragraph (AA)(2)(a) on any Payment Date, *provided* that any such amount in the case of (x) shall (a)(i) be used to purchase Substitute Collateral Debt Obligations (*provided* that such purchase does not cause a Retention Deficiency) or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Debt Obligations and (b) be treated as paid for the purposes of this paragraph (AA) or, in the case of (y), shall be applied to the payment of amounts in accordance with the paragraphs 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;

(b) *secondly*, to the payment of any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant tax authority); and

(c) *thirdly*, any remaining Interest Proceeds to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(ii) *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 Proceeds 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 Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class X Notes, the Class A Notes and the Class B Notes have been redeemed in full;

(C) to the payment of the amounts referred to in paragraph (K) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class X Notes, the Class A Notes and the Class B Notes have been redeemed in full;

(D) to the payment of the amounts referred to in paragraph (L) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be satisfied as of the related Determination Date;

(E) to the payment of the amounts referred to in paragraph (M) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class X Notes, the Class A Notes, Class B Notes and Class C Notes have been redeemed in full;

(F) to the payment of the amounts referred to in paragraph (N) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class X Notes, the Class A Notes, Class B Notes and Class C Notes have been redeemed in full;

(G) to the payment of the amounts referred to in paragraph (O) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class D Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be satisfied as of the related Determination Date;

(H) to the payment of the amounts referred to in paragraph (P) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class X Notes, the Class A Notes, Class B Notes, Class C Notes and Class D Notes have been redeemed in full;

(I) to the payment of the amounts referred to in paragraph (Q) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class X Notes, the Class A Notes, Class B Notes, Class C Notes and Class D Notes have been redeemed in full;

(J) to the payment of the amounts referred to in paragraph (R) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class E Par Value Test that is applicable on such Payment Date with respect to the Class E Notes to be satisfied as of the related Determination Date;

(K) to the payment of the amounts referred to in paragraph (S) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(L) 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;

(M) during the Reinvestment Period, at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date in each case subject to and in accordance with the Collateral Management Agreement (*provided* that such purchase or deposit does not cause a Retention Deficiency);

(N) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Improved Obligations and Credit Impaired Obligations at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date in each case subject to and in accordance with the Collateral Management Agreement (*provided* that such purchase or deposit does not cause a Retention Deficiency);

(O) after the Reinvestment Period, to redeem the Notes in accordance with the Note Payment Sequence;

(P) to the payment on a sequential basis of the amounts referred to in paragraphs (U) through (Z) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(Q) (1) *firstly*, 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 and immediately prior to such redemption), until the Incentive Collateral Management Fee IRR Threshold is reached; and

(2) *secondly*, 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 Proceeds Priority of Payments, the Collateral Enhancement Obligation Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, the Incentive Collateral Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) *firstly*, 20 per cent. of any remaining Principal Proceeds, to the payment to the Collateral Manager as an Incentive Collateral Management Fee, except that any Waived Incentive Collateral Management Amount that would have been payable to the Collateral Manager under this paragraph (Q)(2)(a) shall, where designated for reinvestment by the Collateral Manager, (a)(i) be used to purchase Substitute Collateral Debt Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Debt Obligations (*provided* that such purchase or deposit does not cause a Retention Deficiency) and (b) be treated as paid for the purposes of this paragraph (Q) or, where irrevocably waived by the Collateral Manager, shall be applied to the payment of amounts in accordance with the paragraphs 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;

(b) *secondly*, to the payment of any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant tax authority); and

(c) *thirdly*, 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 and immediately prior to such redemption).

(iii) *Application of Collateral Enhancement Obligation Proceeds*

Collateral Enhancement Obligation Proceeds in respect of a Due Period shall (if the Collateral Manager has determined in its discretion that such amounts shall be so applied and not retained in the Collateral Enhancement Account) be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment of any Collateral Manager Advances and any interest thereon to the extent not paid in full pursuant to paragraph (Y) of the Interest Proceeds Priority of Payments or paragraph (P) of the Principal Proceeds Priority of Payments;

(B) if the Incentive Collateral Management Fee IRR Threshold has not been reached, to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption), until the Incentive Collateral Management Fee IRR Threshold is reached; and

(C) 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 Proceeds Priority of Payments, the Collateral Enhancement Obligation Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, the Incentive Collateral Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(1) *firstly*, 20 per cent. of any remaining Collateral Enhancement Obligation Proceeds, to the payment to the Collateral Manager as an Incentive Collateral Management Fee (save for any Waived Incentive Collateral Management Amounts;

(2) *secondly*, to the payment of any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant tax authority); and

(3) *thirdly*, any remaining Collateral Enhancement Obligation Proceeds, 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 and immediately prior to such redemption).

(iv) *Taxes*

(A) Unless otherwise expressly stated, if the Issuer is required to deduct or withhold for or on account of tax from any amounts payable in accordance with the Priorities of Payment, payment of any amount so deducted or withheld shall, to the extent permitted by law, be made by or on behalf of the Issuer to the relevant taxing authority *pari passu* with the payment in the relevant Priority of Payment from which the deduction or withholding was made.

(B) Other than in the case of any Incentive Collateral Management Fees or any Waived Incentive Collateral Management Amounts, if the Issuer must account to the recipient of any payment for any amounts in respect of VAT or in respect of any other taxes attributable to any of the items referred to in the Priorities of Payments set out above (other than paragraph (A) of the Interest Proceeds Priority of Payments), then such amounts in respect of taxes shall be paid *pro rata* and *pari passu* with such items.

(d) *Non-payment of Amounts*

Subject to the following paragraph, failure on the part of the Issuer to pay the Interest Amounts on the Rated 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 a Note Event of Default unless and until 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) (*Non-payment of interest*), save in each case as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*).

Unless a Frequency Switch Event has occurred and the relevant Class of Notes is the Controlling Class at such time, failure on the part of the Issuer to pay the Interest Amounts on the Class C Notes, the Class D Notes and the Class E Notes 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 constitute a Note Event of Default but instead will constitute Deferred Interest pursuant to Condition 6(c) (*Deferral of Interest*).

Failure on the part of the Issuer to pay any Interest Amount on the Class M Notes 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 constitute a Note Event of Default but instead will constitute Deferred Interest pursuant to 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, Principal Proceeds or Collateral Enhancement Obligation Proceeds will not constitute a Note Event of Default. 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 a Note 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 seven Business Days after the Trustee or the Issuer receives written notice of, or has actual knowledge of, such administrative error or omission 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 a Note Event of Default.

Subject always in the case of Interest Amounts payable in respect of the Class C Notes, the Class D Notes and the Class E Notes (unless a Frequency Switch Event has occurred and the relevant Class of Notes is the Controlling Class at such time) and the Class M Notes, in each case pursuant to Condition 6(c) (*Deferral of Interest*) and save as otherwise provided in respect of any unpaid Collateral Management Fees (and VAT payable in respect thereof), in the event of non-payment of any amounts referred to in the Interest Proceeds Priority of Payments or the Principal Proceeds 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 Proceeds Priority of Payments and the Principal Proceeds 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, on behalf of the Issuer, 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 Account Bank (acting in accordance with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer) shall, on behalf of the Issuer not later than 12.00 noon (London time) on the Business Day preceding each Payment Date, instruct the Custodian and/or the Account Bank, as applicable, to cause the amounts standing to the credit of the Principal Account, the Unused Proceeds Account and if applicable the Interest Account, the Expense Reserve Account and/or the Collateral Enhancement Account (together with, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments, the Collateral Enhancement Obligation Proceeds Priority of Payments and the Post-Acceleration Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) *De minimis Amounts*

The Collateral Administrator may, in consultation with the Collateral Manager, adjust the amounts required to be applied in payment of principal on any Class of Notes from time to time pursuant to the Priorities of Payments so that the amount to be so applied in respect of each such Note is a whole amount, not involving any fraction of a Euro cent or, at the discretion of the Collateral Administrator, any fraction of a Euro.

(g) *Publication of Amounts*

The Collateral Administrator will, on behalf of and at the expense of the Issuer, 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 Euronext Dublin by no later than 11.00 am (London time) on the Business Day following the applicable Payment Date and the Registrar shall procure that details of such amounts are notified at the expense of the Issuer to the Noteholders of each Class in accordance

with Condition 16 (*Notices*) as soon as possible after notification thereof to the Registrar in accordance with the above but in no event later than (to the extent applicable) the third Business Day after the last day of the applicable Due Period.

(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 Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence of the Collateral Administrator's fraud, wilful default or negligence) 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 (or, in respect of a Counterparty Downgrade Collateral Account, on or about the date of entry by the Issuer into a Hedge Agreement with a Hedge Counterparty), establish the following accounts with the Account Bank or (as the case may be) with the Custodian:

(i) the Principal Account;

(ii) the Interest Account;

(iii) the Unused Proceeds Account;

(iv) the Payment Account;

(v) the Collateral Enhancement Account;

(vi) the Expense Reserve Account;

(vii) the Unfunded Revolver Reserve Account;

(viii) the First Period Reserve Account;

(ix) the Contributions Account;

(x) the Custody Account;

(xi) the Interest Smoothing Account; and

(xii) the Supplemental Reserve Account.

The Issuer shall establish the following accounts with the Account Bank or the Custodian, as applicable, upon the request of the Collateral Manager:

(i) the Counterparty Downgrade Collateral Account(s);

(ii) the Hedge Termination Account(s); and

(iii) the Asset Swap Account(s).

The Account Bank and the Custodian shall at all times be a financial institution satisfying the Rating Requirement applicable thereto, which is resident and which is acting through an office which is situated in the United Kingdom and which has the necessary regulatory consents to perform the services required by it under the Agency Agreement. If the Account Bank or the Custodian at any time fails to satisfy the Rating Requirement, the Issuer shall use reasonable endeavours to procure that a replacement Account Bank or Custodian, as applicable, acceptable to the Trustee, which satisfies the Rating Requirement, is appointed in accordance with the provisions of the Agency Agreement. The Principal Paying Agent shall at all times be resident, and acting through an office which is situated, in the United Kingdom and shall have the necessary regulatory consents to perform the services required by it under the Agency Agreement

Amounts standing to the credit of the Accounts (other than the Unfunded Revolver Reserve Account, each Counterparty Downgrade Collateral 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 (save for each Counterparty Downgrade Collateral Account) 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 (other than the Counterparty Downgrade Collateral Account, Hedge Termination Account and any Asset Swap Accounts) 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 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 (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 Contributions Account, (iv) the Expense Reserve Account, (v) the Collateral Enhancement Account, (vi) all interest accrued on the Accounts, (vii) the Counterparty Downgrade Collateral Account, (viii) the Interest Smoothing Account, and (ix) each Asset Swap Account) 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 all amounts standing to the credit of each of the Interest Account, the Interest Smoothing Account (to the extent necessary), the Contributions Account, the Expense Reserve Account and a Counterparty Downgrade Collateral Account, to the extent not required to be repaid to any Hedge Counterparty (or representing unpaid amounts under a terminated Hedge Transaction which constitute Principal Proceeds), shall be transferred to the Payment Account and shall constitute Interest Proceeds on the Business Day prior to the redemption of the Notes in full; and amounts standing to the credit of the Collateral Enhancement Account shall be transferred to the Payment Account and shall constitute Collateral Enhancement Obligation Proceeds on the Business Day prior to the redemption of the Notes in full.

Following the end of the Reinvestment Period, the Issuer (or the Collateral Manager, acting on its behalf) may open additional ledgers in the Principal Account to separate payments of Scheduled Principal Proceeds and Unscheduled Principal Proceeds.

For the avoidance of doubt, (i) application of amounts in respect of Swap Tax Credits received by the Issuer shall be paid out of the Interest Account to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement, without regard to the Priorities of Payments and (ii) application of amounts in respect of Counterparty Downgrade Collateral and any interest or distributions thereon or liquidation proceeds thereof shall be paid in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Account*) and 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 (save for those in respect of any Asset Swap Obligations) are paid into the Principal Account promptly upon receipt thereof (and, in the case of receipts on any Unhedged Collateral Debt Obligation, converted into Euro at the Spot Rate), but in each case, if applicable, excluding any Trading Gains which, if the conditions set out in Condition 3(j)(ii)(N)(1) (*Interest Account*) are satisfied, the Collateral Manager elects to pay into the Interest Account or the Supplemental Reserve Account in accordance with Condition 3(j)(ii)(N)(1) (*Interest Account*) or otherwise are required to be paid into the Interest Account in accordance with Condition 3(j)(ii)(N)(2) (*Interest Account*) below:

(A) all principal payments received in respect of any Collateral Debt Obligation including, without limitation, save to the extent that they relate to Asset Swap Obligations;

(1) Scheduled Principal Proceeds, other than any Interest Rate Hedge Replacement Receipts or Interest Rate Hedge Termination Receipts;

(2) amounts received in respect of any maturity, scheduled amortisation, mandatory prepayment or mandatory sinking fund payment on a Collateral Debt Obligation;

(3) Unscheduled Principal Proceeds; and

(4) any other principal payments with respect to Collateral Debt 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 Debt Obligation, to the extent required to be paid into the Unfunded Revolver Reserve Account and (ii) any Trading Gains which are paid or are payable into the Interest Account or Supplemental Reserve Account in accordance with Condition 3(j)(ii)(N) (*Interest Account*) below;

(B) any Asset Swap Counterparty Principal Exchange Amount (other than any payments from an Asset Swap Counterparty in respect of initial principal exchange amounts pursuant to an Asset Swap Transaction, which shall be paid into the relevant Asset Swap Account) received by the Issuer under any Asset Swap Transactions;

(C) the Balance standing to the credit of the relevant Hedge Termination Account in the circumstances described under Condition 3(j)(ix) (*Hedge Termination Account*) below;

(D) amounts received in respect of any Asset Swap Obligation which are not required to be paid to the applicable Asset Swap Counterparty pursuant to the related Asset Swap Transaction but which are required, pursuant to the Collateral Management Agreement, to be paid into the Principal Account following conversion thereof into Euro at the Applicable Exchange Rate;

(E) 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 Obligation;

(F) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Debt 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 Debt Obligation;

(G) all fees and commissions received in connection with the purchase or sale of any Collateral Debt Obligations (including such fees received in relation to Corporate Rescue Loans) or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Debt Obligations as determined by the Collateral Manager in its reasonable discretion;

(H) all Sale Proceeds received (save for any Trading Gains which are paid or are payable into the Interest Account in accordance with Condition 3(j)(ii)(N) (*Interest Account*) below) in respect of a Collateral Debt Obligation;

(I) all Distributions and Sale Proceeds received in respect of any Exchanged Securities;

(J) all Purchased Accrued Interest;

(K) amounts transferred to the Principal Account from any other Account as required below;

(L) all proceeds received from any additional issuance of the Notes that are not invested in Collateral Debt Obligations or required to be paid into the Interest Account;

(M) any other amounts received in respect of the Collateral which are not required to be paid into another Account;

(N) all cash amounts required to be transferred from the relevant Counterparty Downgrade Collateral Account (or, where such Counterparty Downgrade Collateral is in the form of securities, all proceeds of the sale of such securities);

(O) all amounts transferred from the Expense Reserve Account;

(P) all amounts payable into the Principal Account pursuant to paragraph (T) of the Interest Proceeds Priority of Payments upon the failure to satisfy the Reinvestment Overcollateralisation Test on and after the Effective Date and during the Reinvestment Period;

(Q) all principal and Purchased Accrued Interest received in respect of any Non-Eligible Issue Date Collateral Debt Obligation or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which has not been sold by the Collateral Manager in accordance with the Collateral Management Agreement;

(R) all net Refinancing Proceeds;

(S) all amounts transferred from the Contributions Account;

(T) all net proceeds of issuance of any Refinancing Obligations issued in accordance with Condition 7(b) (*Optional Redemption*);

(U) all amounts payable into the Principal Account pursuant to the Warehouse Arrangements;

(V) 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*);

(W) all amendment and waiver fees, late payment fees, commitment fees (other than scheduled commitment fees received by the Issuer in respect of Revolving Obligations and Delayed Drawdown Collateral Debt Obligations) syndication fees and all other fees and commissions received in connection with any Collateral Debt Obligations and Eligible Investments, including, without limitation, upon purchase or sale thereof, in each case, to the extent not included in paragraph (G) above, *provided* that if at any time the Aggregate Collateral Balance (where for such purpose the Principal Balance of all Defaulted Obligations shall be deemed to be the lower of their S&P Collateral Value and their Fitch Collateral Value) equals or exceeds the Target Par Amount, all or any part of such amounts may be paid into the Interest Account at the discretion of the Collateral Manager, save to the extent received in respect of any Defaulted Obligation or restructuring of any Collateral Debt Obligation (other than Defaulted Obligation Excess Amounts); and

(X) all amounts transferred from the Supplemental Reserve Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Principal Account, provided in each case that amounts deposited in the Principal Account pursuant to sub-paragraph (T) above shall only be applied in accordance with sub-paragraph (4) below unless, after such

application on the relevant Payment Date, there is a surplus of such proceeds and amounts deposited in the Principal Account pursuant to sub-paragraph (W) above shall only be applied in accordance with sub-paragraph (5) below:

(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 Proceeds 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 Agreement (including any payments to an Asset Swap Counterparty in respect of initial principal exchange amounts pursuant to an Asset Swap Transaction) 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) until after the following 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 Proceeds 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 Agreement, in the acquisition of Collateral Debt Obligations (including amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations which are required to be deposited in the Unfunded Revolver Reserve Account);

(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 Agreement, in payment of the purchase price of any Notes purchased by the Issuer in accordance with Condition 7(k) (*Purchase*);

(4) on any Business Day on which a Refinancing has occurred, all amounts credited to the Principal Account pursuant to paragraph (T) above, to be applied in the redemption of the Class or Classes of Notes that are the subject of such Refinancing subject to and in accordance with Condition 7(b) (*Optional Redemption*);

(5) on any Business Day, all amounts credited to the Principal Account pursuant to (W) above, either (x) during the Reinvestment Period, to reinvest in Substitute Collateral Debt Obligations (*provided* that to the extent that doing so would cause a Retention Deficiency such amounts shall be paid into the Interest Account) or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payments;

(6) on any Redemption Date upon which a Refinancing of the Rated Notes occurs in whole or in part (provided that any such Refinancing of the Rated Notes in part includes the Class A Notes and the Class C Notes (provided such Class remains Outstanding immediately prior to such Redemption Date)) in accordance with these Conditions, to the Interest Account at the Collateral Manager's discretion, *provided* that before and immediately following any such transfer on such date: (i) the ratings of each Class of Rated Notes that is not subject to a Refinancing on such date shall be no lower than each such rating prevailing on the Issue Date; (ii) the Aggregate Collateral Balance (and for such purpose the Principal Balance of all Defaulted Obligations shall be deemed to be the lower of their S&P Collateral Value and their Fitch Collateral Value) shall be at least equal to the Unadjusted Reinvestment Target Par Amount; (iii) each condition precedent to the applicable Refinancing on such date shall have been satisfied in accordance with these Conditions and the Trust Deed; and (iv) the cumulative aggregate amount transferred or to be transferred in accordance with the foregoing in respect of all Redemption Dates upon which a Refinancing has occurred on or before such date, shall not exceed 1 per cent. of the Target Par Amount; and

(7) on any Payment Date on or following the Effective Date and up to and including the second Payment Date following the Effective Date only, no more than 0.75 per cent. of the Target Par Amount to the Interest Account in one or more instalments, in aggregate and without

duplication, from the Unused Proceeds Account and/or the Principal Account at the discretion of the Collateral Manager, acting on behalf of the Issuer, save to the extent (if any) required to cure a Retention Deficiency, *provided* that immediately after giving effect to such transfer the Adjusted Collateral Principal Amount equals or exceeds the Unadjusted Reinvestment Target Par Amount.

(ii) *Interest Account*

The Issuer will procure that the following amounts are credited to the Interest Account promptly upon receipt thereof (and, in the case of receipts on any Unhedged Collateral Debt Obligation, *provided* that any amounts denominated in a currency other than Euro shall be converted into Euro at the Spot Rate):

(A) all cash payments of interest in respect of the Collateral Debt Obligations (save for any Asset Swap Obligation) 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 any interest received in respect of any Defaulted Obligation 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 (save for the Counterparty Downgrade Collateral Account) (including interest on any Eligible Investments standing to the credit thereof);

(C) at the Collateral Manager's discretion, delayed compensation and, if at any time the Aggregate Collateral Balance (and for such purpose the Principal Balance of all Defaulted Obligations shall be deemed to be the lower of their S&P Collateral Value and their Fitch Collateral Value) is equal to or greater than the Unadjusted Reinvestment Target Par Amount, all or any portion of amendment and waiver fees, late payment fees, commitment fees (other than scheduled commitment fees received by the Issuer in respect of Revolving Obligations and Delayed Drawdown Collateral Debt Obligations), syndication fees and all other fees and commissions received in connection with any Collateral Debt Obligations and Eligible Investments as determined by the Collateral Manager in its reasonable discretion including, without limitation, upon purchase or sale thereof, in each case, to the extent not included in Condition 3(j)(i)(G) above, which fees and commissions shall be payable into the Principal Account pursuant to Condition 3(j)(i)(G) above and shall constitute Principal Proceeds;

(D) all Scheduled Periodic Asset Swap Counterparty Payments received by the Issuer under an Asset Swap Transaction and all Scheduled Periodic Interest Rate Hedge Counterparty Payments received by the Issuer under an Interest Rate Hedge Transaction;

(E) all accrued interest included in the proceeds of sale of any other Collateral Debt Obligation that are designated by the Collateral Manager as Interest Proceeds pursuant to the Collateral Management Agreement (*provided* that no such designation may be made in respect of (i) any Purchased Accrued Interest, (ii)(1) 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 (2) a Defaulted Obligation save for Defaulted Obligation Excess Amounts);

(F) 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 Debt Obligations;

(G) all amounts representing the element of deferred interest in any payments received in respect of any Mezzanine Obligation which is not a Defaulted Deferring Mezzanine Obligation which by its contractual terms provides for the deferral of interest;

(H) amounts transferred to the Interest Account from the Unused Proceeds Account in the circumstances described under Condition 3(j)(iii) (*Unused Proceeds Account*) below;

(I) all scheduled commitment fees received by the Issuer in respect of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations;

(J) 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 Debt Obligation in an account established pursuant to an ancillary facility;

(K) all amounts transferred from the Expense Reserve Account;

(L) all amounts transferred from the Contributions Account;

(M) all interest payments (together with amounts received by way of gross-up of such interest and in respect of a claim under any applicable double tax treaty or otherwise), other than constituting Purchased Accrued Interest received in respect of any Non-Eligible Issue Date Collateral Debt Obligation or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which has not been sold by the Collateral Manager in accordance with the Collateral Management Agreement;

(N) any Trading Gains realised in respect of any Collateral Debt Obligation in accordance with the following provisions:

(1) if:

(a) (after giving effect to the transfer of such Trading Gains to the Interest Account) the Aggregate Collateral Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be the lesser of its Fitch Collateral Value and its S&P Collateral Value) is greater than or equal to the Unadjusted Reinvestment Target Par Amount;

(b) (after giving effect to the transfer of such Trading Gains to the Interest Account) paragraphs (k) and (l) of the Portfolio Profile Tests are satisfied;

(c) (after giving effect to the transfer of such Trading Gains to the Interest Account) the Class E Par Value Ratio is greater than the Effective Date Target Ratio;

(d) (after giving effect to the transfer of such Trading Gains to the Interest Account) the Fitch Maximum Weighted Average Rating Factor Test is satisfied;

(e) the rating of the Class A Notes has not been downgraded by Fitch or S&P below their ratings on the Issue Date (unless subsequently upgraded by Fitch and/or S&P, as applicable, to the relevant rating on the Issue Date),

then the Collateral Manager may, in its discretion, determine that Trading Gains shall be paid into (without double counting) the Interest Account and/or the Supplemental Reserve Account upon receipt, *provided* that the aggregate amount of Trading Gains deposited into the Interest Account pursuant to this paragraph (N)(1) is no greater than 0.75 per cent. of the Target Par Amount; and

(2) to the extent that the deposit of such amounts into the Principal Account would, in the sole discretion of the Collateral Manager, cause (or would be likely to cause) a Retention Deficiency then Trading Gains in an amount sufficient in order to ensure no Retention Deficiency occurs must be paid into the Interest Account upon receipt thereof;

(O) any Swap Tax Credit received by the Issuer;

(P) any reimbursements received by the Issuer in respect of any withholding tax which has been previously withheld;

(Q) all amounts payable into the Interest Account pursuant to the Warehouse Arrangements;

(R) any Interest Smoothing Amounts which are required to be transferred from the Interest Smoothing Account;

(S) all amounts transferred from the Supplemental Reserve Account; and

(T) any remaining amounts following application of the Partial Redemption Priority of Payments pursuant to Condition 3(k)(iv) (*Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date*).

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 (save for Swap Tax Credits) 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 Proceeds Priority of Payments save for amounts deposited after the end of the related Due Period;

(2) at any time, funds may be transferred to the relevant Asset Swap 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 Condition 3(j)(x)(B) (*Asset Swap Account*) at such time;

(3) at any time, any amounts payable by the Issuer under any Interest Rate Hedge Transaction save for any Interest Rate Hedge Termination Payments that are Defaulted Hedge Termination Payments;

(4) at any time in accordance with the terms of, and to the extent permitted under, the Collateral Management Agreement, in the acquisition of Collateral Debt Obligations to the extent that any such acquisition costs represent accrued interest;

(5) at any time, any Swap Tax Credits shall be paid to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement;

(6) on the Business Day following each Determination Date save for: (i) the first Determination Date following the Issue Date; (ii) a Determination Date following the occurrence of a Note Event of Default which is continuing; and (iii) the Determination Date immediately prior to any redemption of the Notes in full, any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account; and

(7) on a Business Day prior to a Partial Redemption Date, an amount equal to all Partial Redemption Interest Proceeds shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Partial Redemption Priority of Payments.

(iii) *Unused Proceeds Account*

The Issuer will procure that the following amounts are credited to the Unused Proceeds Account (*provided* that such credit would not cause a Retention Deficiency), as applicable:

(A) on the Issue Date, the proceeds of the issue of the Notes; and

(B) all proceeds received during the Initial Investment Period from any additional issuance of Notes that are not invested in Collateral Debt Obligations or paid into the Interest Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the applicable sub-ledger of the Unused Proceeds Account:

(1) on the Issue Date, payment:

(a) 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 and the entry into the Transaction Documents;

(b) to fund the Expense Reserve Account in an amount equal to €1,532,731.46;

(c) to fund the First Period Reserve Account in an amount equal to €1,000,000; and

(d) of amounts required for repayment of any amounts borrowed by the Issuer (together with interest thereon) in order to finance the acquisition of certain Collateral Debt Obligations on or prior to on the Issue Date pursuant to the Warehouse Arrangements less the Reclassification Price of any Issue Date Ineligible Portfolio Obligations reclassified on the Issue Date pursuant to the Collateral Management Agreement (such Reclassification Price to be retained as Note Proceeds in the Unused Proceeds Account pursuant to netting arrangements to be entered into (if applicable) in respect of a Collateral Manager Advance to be made on the Issue Date by the Collateral Manager to be applied towards such reclassification and the amount required to be applied towards the repayment of any subordinated funding amounts borrowed by the Issuer under the Warehouse Arrangements);

(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 Agreement, in the acquisition of Collateral Debt Obligations including any amounts payable by the Issuer to an Asset Swap Counterparty in respect of initial principal exchange in relation to an Asset Swap Obligation;

(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, or to the purchase of additional Collateral Debt Obligations until an Effective Date Rating Event is no longer continuing pursuant to Condition 7(e) (*Redemption upon Effective Date Rating Event*); and

(4) on any Payment Date on or following the Effective Date and up to and including the second Payment Date following the Effective Date only, the Balance standing to the credit of the Unused Proceeds Account, 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: (i) immediately after giving effect to such transfer, the Adjusted Collateral Principal Amount equals or exceeds the Unadjusted Reinvestment Target Par Amount; and (ii) no more than 0.75 per cent. of the Target Par Amount in aggregate and without duplication, from the Unused Proceeds Account and/or the Principal Account may be transferred to the Interest Account, save to the extent (if any) required to cure a Retention Deficiency.

(iv) *Payment Account*

The Issuer will procure that, on the Business Day prior to each Payment Date or Partial Redemption Date (as applicable), 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, and, on such Payment Date or Partial Redemption Date (as applicable), the Collateral Administrator shall instruct 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 Account*

The Issuer will procure that all Counterparty Downgrade Collateral transferred pursuant to a Hedge Agreement shall be deposited in a separate account in respect of each Hedge Counterparty. All Counterparty Downgrade Collateral deposited from time to time in any Counterparty Downgrade Collateral Account shall be held and released pursuant to the terms set out below.

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, Interest Proceeds or of Collateral Enhancement Obligation Proceeds (other than in the circumstances set out below) and accordingly, are not available to fund general distributions of the Issuer (save as set out below and in the applicable Hedge Agreement). The amounts standing to the credit of the applicable Counterparty Downgrade Collateral Account shall be segregated from any other funds or securities, as applicable, from any other party in the books and records of the Custodian.

Amounts standing to the credit of each Counterparty Downgrade Collateral Account will not be available for the Issuer to make payments to the Noteholders nor any other creditor of the Issuer. The Issuer will procure the payment of the following amounts (and shall ensure that no other payments are made, save to the extent required hereunder):

(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 the relevant Hedge Agreement) entered into under the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early, solely in or towards payment or transfer of:

(a) any "Return Amounts" (as defined in the applicable "Credit Support Annex" of the applicable Hedge Agreement);

(b) any "Interest Amounts" and "Distributions" (each as defined in the applicable "Credit Support Annex" of the applicable Hedge Agreement) or such other equivalent amounts representing equivalent payments; and

(c) any return of collateral to the relevant Hedge Counterparty upon a novation of its obligations under such Hedge Agreement to a replacement Hedge Counterparty,

directly to such Hedge Counterparty, in each case in accordance with the terms of the "Credit Support Annex" of the applicable Hedge Agreement;

(2) following the designation of an "Early Termination Date" in respect of all "Transactions" under a Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early where (A) the relevant Hedge Counterparty is a Defaulting Hedge Counterparty and (B) the Issuer enters into a replacement Hedge Agreement or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty on or around the "Early Termination Date" (as defined in such Hedge Agreement), in the following order of priority:

(a) *first*, in or towards payment of any Hedge Replacement Payment (to the extent not funded from the Hedge Termination Account);

(b) *second*, in or towards payment of any Hedge Termination Payment (to the extent not funded from the Hedge Termination Account); and

(c) *third*, the surplus remaining (if any) (the "**Counterparty Downgrade Collateral Account Surplus**") to be transferred to the Principal Account (or where such Counterparty Downgrade Collateral Account Surplus is in the form of securities, to the Custody Account);

(3) following the designation of an "Early Termination Date" in respect of all "Transactions" under a Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early where (A) the relevant Hedge Counterparty is not a Defaulting Hedge Counterparty and (B) the Issuer enters into a replacement Hedge Agreement or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty on or around the "Early Termination Date" (as defined in such Hedge Agreement) of such Hedge Agreement, in the following order of priority:

(a) *first*, in or towards payment of any Hedge Termination Payment (to the extent not funded from the Hedge Termination Account);

(b) *second*, in or towards payment of any Hedge Replacement Payment (to the extent not funded from the Hedge Termination Account); and

(c) *third*, the Counterparty Downgrade Collateral Account Surplus to be transferred to the Principal Account (or where such Counterparty Downgrade Collateral Account Surplus is in the form of securities, to the Custody Account); and

(4) following the designation of an "Early Termination Date" (as defined in each Hedge Agreement) in respect of all "Transactions" under a Hedge Agreement pursuant to which all "Transactions" under the relevant Hedge Agreement are terminated early, if for any reason the Issuer is unable to or elects not to enter into a replacement Hedge Agreement or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty on or around the "Early Termination Date" (as defined in such Hedge Agreement), in the following order of priority:

(a) *first*, in or towards payment of any Hedge Termination Payment (to the extent not funded from the Hedge Termination Account); and

(b) *second*, the Counterparty Downgrade Collateral Account Surplus to be transferred to the Principal Account (or where such Counterparty Downgrade Collateral Account Surplus is in the form of securities, to the Custody Account).

(vi) *Collateral Enhancement Account*

The Issuer will procure that all Collateral Enhancement Obligation Proceeds are credited on receipt into the Collateral Enhancement Account, and that on each Payment Date any Collateral Enhancement Amount applied in payment into the Collateral Enhancement Account pursuant to paragraph (Z) of the Interest Proceeds Priority of Payments is credited to the Collateral Enhancement Account.

The Issuer will (at the direction of the Collateral Manager which shall be made in its sole discretion) procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Collateral Enhancement Account at the discretion of the Collateral Manager:

(1) 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 Agreement, provided that amounts in respect of the reclassification of any Post-Issue Date Ineligible Portfolio Obligations shall be transferred to the Principal Account;

(2) 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*);

(3) 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, or to the purchase of additional Collateral Debt Obligations until an Effective Date Rating Event is no longer continuing pursuant to Condition 7(e) (*Redemption upon Effective Date Rating Event*); and

(4) at any time, at the direction of the Collateral Manager (acting in its discretion), the Balance standing to the credit of the Collateral Enhancement Account to be transferred to the Principal Account or the Interest Account or, on the Business Day prior to each Payment Date, to the Payment Account to the extent required for the payment of disbursements on such Payment Date in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments.

For the avoidance of doubt, the Collateral Manager may, in its sole discretion, but shall not be obliged to, direct the Issuer to transfer all or any portion of the Balance standing to the credit of the

Collateral Enhancement Account to the Payment Account to be applied in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments.

(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 Debt Obligation, an amount (such amount, the "**Revolver Reserve Commitment**") 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 Debt Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Collateral Debt 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 Debt Obligation, if and to the extent that the amount of such principal payments may be reborrowed under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation or otherwise by the Collateral Manager, acting on behalf of the Issuer;

(C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to sub-paragraph (2) below; and

(D) any Principal Proceeds required to be transferred to the Unfunded Revolver Reserve Account pursuant to the Principal Proceeds Priority of Payments.

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 Debt Obligation or Revolving Obligation;

(2) in respect of Delayed Drawdown Collateral Debt 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 funding obligations of the Issuer in respect of a Delayed Drawdown Collateral Debt Obligation or Revolving Obligation including, but not limited to, reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Debt 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 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 Debt Obligations after taking into account such sale or such reduction, cancellation or expiry of such commitment or notional amount to the Principal Account;

(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; and

(5) at the discretion of the Collateral Manager, acting on behalf of the Issuer, to the Principal Account, to the extent that the Revolver Reserve Commitment would still be satisfied following such transfer.

(viii) *Contributions Account*

At any time, any Contributor may make a Contribution to the Issuer. The Collateral Manager, on behalf of the Issuer, may accept or reject any Contribution in its reasonable discretion (and will notify the Trustee of any such acceptance), *provided* that the Collateral Manager shall reject any Contribution or portion thereof which would result in a Retention Deficiency; and further provided that in the case of paragraph (b) of the definition of "Contribution", such notice must be provided no later than two Business Days prior to the applicable Payment Date. Each accepted Contribution will be credited to the Contributions Account.

The Issuer will procure payment of Contributions standing to the credit of the Contributions Account (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Contributions Account as directed by the Contributor at the time the relevant Contribution is made or, if no direction is given by the Contributor, at the Collateral Manager's reasonable discretion, as follows:

(A) at any time, to the Principal Account for distribution on the next following Payment Date in accordance with the Priorities of Payments;

(B) 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;

(C) 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 Agreement;

(D) 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*);

(E) on the occurrence of an Effective Date Rating Event that is continuing, 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 until an Effective Date Rating Event is no longer continuing, or to the purchase of additional Collateral Debt Obligations until an Effective Date Rating Event is no longer continuing pursuant to Condition 7(e) (*Redemption upon Effective Date Rating Event*); and

(F) on the Business Day prior to any Payment Date, the Balance standing to the credit of the Contributions Account to the Payment Account for distribution on such Payment Date in accordance with the Principal Proceeds Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) (1) at the direction of the Collateral Manager at any time prior to a Note Event of Default or (2) automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*).

No Contribution or portion thereof accepted by the Collateral Manager will be returned to the Contributor at any time save for in accordance with the Priorities of Payments. All interest accrued on amounts standing to the credit of the Contributions Account will be transferred to the Interest Account for application as Interest Proceeds. For the avoidance of doubt, any amounts standing to the credit of the Contributions Account pursuant to paragraph (b) of the definition of "Contribution" will be deemed for all purposes as having been paid to the Contributor pursuant to the Priorities of Payments.

(ix) *Hedge Termination Account*

The Issuer will procure that all Hedge Termination Receipts and Hedge Replacement Receipts are paid into the relevant 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 Hedge Termination Payment 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 Termination Receipts 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 Interest Rate Hedge Transaction or a Replacement Asset Swap Transaction, as applicable in accordance with the Collateral Management Agreement; and

(C) in the case of any Hedge Termination Receipts 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 and Rating Agency Confirmation is received in respect of such determination; or

(2) termination of the Hedge Transaction under which such Hedge Termination Receipts are payable occurs on a Redemption Date (other than in connection with a Refinancing); or

(3) to the extent that such Hedge Termination Receipts are not required for application towards costs of entry into a Replacement Interest Rate Hedge Transaction or a Replacement Asset Swap Transaction, as applicable,

in payment of such amounts (save for accrued interest thereon) to the Principal Account.

(x) *Asset Swap Account*

The Issuer will procure that all amounts due to the Issuer in respect of each Asset Swap Obligation (including any payments from an Asset Swap Counterparty in respect of initial principal exchange amounts pursuant to an Asset Swap Transaction) shall, on receipt, be deposited in the Asset Swap Account maintained in the currency of such Asset Swap Obligation. Additional amounts may also be transferred to the relevant Asset Swap Account from the Interest Account at any time to the extent of any shortfall in the Balance standing to the credit of the relevant Asset Swap Account in respect of any payment required to be made by the Issuer pursuant to paragraph (B) below at such time.

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 relevant Asset Swap Account:

(A) at any time, to the extent of any initial principal exchange amount deposited into the relevant Asset Swap Account in accordance with the terms of and to the extent permitted under the Collateral Management Agreement, in the acquisition of Asset Swap Obligations;

(B) Scheduled Periodic Asset Swap Issuer Payments due to each Asset Swap Counterparty pursuant to each Asset Swap Transaction;

(C) Asset Swap Issuer Principal Exchange Amounts (other than any initial asset swap principal exchange amount denominated in Euro and due to an Asset Swap Counterparty pursuant to an Asset Swap Transaction, which shall be paid from the Principal Account or the Unused Proceeds Account) due to each Asset Swap Counterparty pursuant to each Asset Swap Transaction; and

(D) cash amounts (representing any excess standing to the credit of the relevant Asset Swap Account after provisioning for any amounts to be paid to any Asset Swap Counterparty pursuant to any Asset Swap Transaction) to the Principal Account after conversion thereof into Euro at the then Applicable Exchange Rate.

(xi) *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 paragraph (1) below;

(B) any On-going Expense Reserve Amount applied in payment into the Expense Reserve Account pursuant to paragraph (D) of the Interest Proceeds Priority of Payments and paragraph (A) of the Principal Proceeds Priority of Payments;

(C) any amounts received by the Issuer by way of indemnity payments from third parties ("**Third Party Indemnity Receipts**"); and

(D) all amounts received from the Collateral Manager on or prior to the Issue Date in connection with the prefunding of the fees, costs and expenses (including any VAT thereon) payable by the Issuer pursuant to Condition 3(j)(xi) (*Expense Reserve Account*) as previously agreed between the Collateral Manager and the Issuer.

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Expense Reserve Account:

(1) other than Third Party Indemnity Receipts, amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of the Notes and the entry into the Transaction Documents;

(2) other than Third Party Indemnity Receipts, subject to payment of any amounts referred to in paragraph (3) below, 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);

(3) other than Third Party Indemnity Receipts at any time other than between a Determination Date and a Payment Date, the amount of, *firstly*, any Trustee Fees and Expenses and, *secondly*, Administrative Expenses which have accrued and become payable prior to the immediately following Payment Date, upon receipt of invoices therefor from the relevant creditor, *provided* that any such payments, in aggregate, shall not cause the Balance of the Expense Reserve Account to fall below zero;

(4) other than Third Party Indemnity Receipts, on the Business Day prior to each Payment Date, the Balance of the Expense Reserve Account shall be transferred to the Payment Account for application in accordance with the Interest Proceeds Priority of Payments on such Payment Date;

(5) on any date, any Third Party Indemnity Receipts due and payable by the Issuer to the Trustee, in an amount which shall not at any time exceed the lesser of (i) the amount paid into the Expense Reserve Account in accordance with paragraph (C) above; and (ii) the amount of any indemnity payments payable by the Issuer to the Trustee. Any such amount so paid shall not be taken into account for the purposes of the application of the Senior Expenses Cap;

(6) any Third Party Indemnity Receipts in excess of paragraph (5) above shall be transferred to the Payment Account on the Business Day prior to each Payment Date for application in accordance with the Interest Proceeds Priority of Payments on such Payment Date; and

(7) at any time to the Collateral Manager the amount of any fees, costs or expenses required to be paid by the Issuer (such amounts to have been prefunded on or prior to the Issue Date by the Collateral Manager pursuant to Condition 3(j)(xi)(D) (*Expense Reserve Account*) in connection with the issuance of the Notes in each case on the Issue Date.

(xii) *Interest Smoothing Account*

On the Business Day following each Determination Date, save for:

(A) the first Determination Date following the Issue Date;

(B) a Determination Date following the occurrence of a Note Event of Default which is continuing; and

(C) the Determination Date immediately prior to any redemption of the Notes in full,

the Interest Smoothing Amount shall be credited to the Interest Smoothing Account from the Interest Account.

The Issuer shall procure on the Business Day falling after the Payment Date following the Determination Date on which any Interest Smoothing Amount was transferred to the Interest Smoothing Account, such Interest Smoothing Amount to be transferred to the Interest Account.

(xiii) *Supplemental Reserve Account*

The Issuer will procure that all Trading Gains transferred pursuant to Conditions 3(j)(ii)(N)(1) (*Interest Account*) and the remaining proceeds of any additional issuance of Subordinated Notes pursuant to Condition 17(b) (*Additional Issuances*) are credited on receipt into the Supplemental Reserve Account.

The Issuer shall (at the direction of the Collateral Manager which shall be made in its sole discretion) procure payment of the following amounts (and shall procure that no other amounts are paid) 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 Debt Obligations (*provided* that to the extent that doing so would cause a Retention Deficiency such amounts shall be paid into the Interest Account) or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payment;

(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 Payment;

(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 Agreement, *provided* that no Retention Deficiency shall occur as a direct result of, and immediately after giving effect to, any such acquisition and *provided*, *further*, that if and for so long as there exists accrued and unpaid Deferred Interest outstanding in respect of any Class of Rated Notes, no amount representing Trading Gains deposited in the Supplemental Reserve Account in accordance with this Condition may be so applied;

(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*); and

(5) 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 Proceeds Priority of Payments or the Post-Acceleration Priorities of Payment (as applicable) (1) at the direction of the Collateral Manager at any time prior to a Note Event of Default or (2) automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*),

each of the foregoing being a "**Permitted Use**".

(xiv) *First Period Reserve Account*

The Issuer shall procure that on the Issue Date €1,000,000 is paid into the First Period Reserve Account.

At any time up to and including the last day of the Initial Investment Period, the Collateral Manager, in its sole discretion (acting on behalf of the Issuer), may direct some or all amounts standing to the credit of the First Period Reserve Account to be used for the acquisition of Collateral Debt Obligations, subject to and in accordance with the Collateral Management Agreement. Following the Initial Investment Period, 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 Proceeds Priority of Payments.

(k) *Application of Refinancing Proceeds and Partial Redemption Interest Proceeds on a Partial Redemption Date*

Subject as further provided below, the Collateral Administrator shall, on behalf of the Issuer on a Partial Redemption Date, instruct the Account Bank to disburse Refinancing Proceeds received in respect of the Optional Redemption in part of any Class or Classes of Rated Notes and Partial Redemption Interest Proceeds transferred to the Payment Account, in each case, in accordance with the following order of priority:

(i) to the payment of accrued and unpaid Trustee Fees and Expenses, to the extent incurred in connection with such Optional Redemption in part;

(ii) to the payment of Administrative Expenses in the priority stated in the definition thereof, to the extent incurred in connection with such Optional Redemption in part;

(iii) to the redemption of the Class or Classes of Rated Notes to be redeemed in part at the applicable Redemption Prices (in the case of any Partial Redemption Date that is a Payment Date, without duplication of any amounts received by any Class of Notes pursuant to the Principal Proceeds Priority of Payments, the Interest Proceeds Priority of Payments or the Post-Acceleration Priority of Payments); and

(iv) any remaining amounts to be deposited in the Interest Account as Interest Proceeds.

(l) *Unscheduled Payment Dates*

The Issuer or the Collateral Manager on its behalf may (and shall, in either case, if so directed by the Subordinated Noteholders acting by Ordinary Resolution) designate a date (other than a Scheduled Payment Date and a Redemption Date) as a Payment Date (each, an "**Unscheduled Payment Date**") if the following conditions are met:

(i) such date is a Business Day falling after the date upon which the Rated Notes have been repaid or redeemed in full;

(ii) such date falls no less than five Business Days after the Collateral Manager (on behalf of the Issuer) has notified the Trustee, the Collateral Administrator, the Principal Paying Agent and the Noteholders (in accordance with Condition 16 (*Notices*)) of such designation in writing;

(iii) such date falls more than five Business Days prior to the next following Scheduled Payment Date; and

(iv) such date falls no less than five Business Days after the immediately preceding Scheduled Payment Date and no less than five Business Days after any prior Unscheduled Payment Date.

(m) *Collateral Manager Advances*

To the extent that there are insufficient sums standing to the credit of the Collateral Enhancement Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised, the Collateral Manager may, at its discretion, pay amounts required in order to fund such purchase or exercise

(such amount, a "**Collateral Manager Advance**") to such Account pursuant to the terms of the Collateral Management Agreement. Each Collateral Manager Advance may bear interest provided that such rate of interest shall not exceed a rate of EURIBOR plus 2 per cent. *per annum* (such rate to be notified in writing by the Collateral Manager to the Collateral Administrator). All such Collateral Manager Advances shall be repaid out of Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligation Proceeds on each Payment Date subject to and in accordance with the Priorities of Payments. The aggregate principal amount outstanding of all Collateral Manager Advances shall not, at any time, exceed €10,000,000, or such greater number as the Subordinated Noteholders may approve, acting by way of an Ordinary Resolution. The Collateral Manager shall be limited to making not more than 4 Collateral Manager Advances pursuant to this Condition 3(m) (*Collateral Manager Advances*) and each such Collateral Manager Advance shall be in an amount not less than €250,000.

4. SECURITY

(a) *Security*

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes of each Class, the Trust Deed, the Agency Agreement, the Collateral Management Agreement, the Subscription Agreement, and the other Transaction Documents (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 Debt 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 any other investments (other than any Counterparty Downgrade Collateral), in each case held by or on behalf of 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, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a first fixed charge 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 Debt 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 any other investments (other than any Counterparty Downgrade Collateral), in each case held by or on behalf of 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 all moneys from time to time standing to the credit of such Accounts (other than the Counterparty Downgrade Collateral Accounts) and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;

(iv) a 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 each Counterparty Downgrade Collateral 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 each Counterparty Downgrade Collateral Account and all moneys from time to time standing to the credit of each Counterparty Downgrade Collateral Account and the debts represented thereby including without

limitation, all interest accrued and other monies received in respect thereof, and subject, in each case, to the rights of any Hedge Counterparty to the applicable Counterparty Downgrade Collateral Account and to the Counterparty Downgrade Collateral pursuant to the terms of the relevant Hedge Agreement and the Conditions (and, in each case, subject to any prior ranking security interest entered into by the Issuer in relation thereto in favour of a Hedge Counterparty);

(v) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Agency 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 Hedge Agreement and each Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Hedge Agreement, *provided* that such assignment by way of security 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), *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;

(vii) an assignment by way of security of all the Issuer's present and future rights under the Collateral Management Agreement and all sums derived therefrom;

(viii) a first fixed charge over all moneys held from time to time by the Principal Paying Agent and any other Agent for payment of principal, interest or other amounts on the Notes (if any);

(ix) an assignment by way of security of all the Issuer's present and future rights under the Agency Agreement and the Subscription Agreement and all sums derived therefrom;

(x) an assignment by way of security of all the Issuer's present and future rights under the Risk Retention Letter and all sums derived therefrom;

(xi) an assignment by way of security of all the Issuer's present and future rights under the Collateral Acquisition Agreements and all sums derived therefrom;

(xii) an assignment by way of security of all of the Issuer's present and future rights under the other Transaction Documents and all sums derived therefrom; and

(xiii) 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 (i) to (xiii) above, (A) the Issuer's rights under the Corporate Services Agreement; and (B) all amounts standing to the credit of the Issuer Irish Account.

The security will extend to the ultimate balance of obligations of the Issuer owed to the Secured Parties, regardless of any intermediate payment or discharge in part.

The security created pursuant to paragraphs (i) to (xiii) above is granted to the Trustee for itself and as trustee for the Secured Parties as continuing security for the payment of their secured obligations pursuant to the Trust Deed provided that the security granted by the Issuer over any collateral provided to the Issuer pursuant to a Hedge Agreement will only be available to the Secured Parties (other than with respect to the collateral provided to the relevant Hedge Counterparty pursuant to such Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Account*)) when such collateral or amounts, as applicable, are 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 Account*).

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed charge over, and/or the grant of a floating charge over the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Collateral**"), the Issuer shall hold the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature

given to secure such Affected Collateral (together, the "**Trust Collateral**") on trust for the Trustee for the benefit of the Secured Parties and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (*provided* that, subject to the Conditions and the terms of the Collateral Management Agreement, if no Note Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust 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 continuing security for the Issuer's obligations to pay any amounts to the relevant Hedge Counterparty pursuant to the terms of the applicable Hedge Agreement, subject to 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 Debt Obligation and deposited in its name with a third party as security for any payment obligations of the Issuer in respect of such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation including but not limited to reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, subject to the terms of Condition 3(j)(vii) (*The Unfunded Revolver Reserve Account*) (including Rating Agency Confirmation).

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 and who is acceptable to the Trustee is appointed in accordance with the provisions of the Agency 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 Account Bank, Principal Paying Agent, Custodian or any Hedge Counterparty 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 account bank, principal paying agent, custodian or hedge counterparty, save that it will not unreasonably withhold its consent to the Issuer's procurement of any such replacement. 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.

(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 Post-Acceleration Priority of Payments set out in Condition 11 (*Enforcement*).

(c) *Limited Recourse and Non-Petition*

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payments and Condition 3(j) (*Payments to and from the Accounts*). If the net proceeds of realisation of the security constituted by the Trust Deed, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed 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 following payment of senior ranking items in the Priorities of Payments (such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Secured Parties in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payments. In such circumstances, the other assets (including the Issuer Irish Account and its rights under the Corporate Services Agreement) of the Issuer will not be available for payment of such shortfall which shall be borne by the Class X Noteholders and the Class A Noteholders (on a *pari passu* basis), the Class B Noteholders (on a *pari passu* basis), the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class M Noteholders, the Subordinated Noteholders and the other Secured Parties in accordance with the Priorities of Payments (applied in reverse order). The rights of the Secured Parties (including the Noteholders) to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders of each Class or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders of any Class, the Trustee or the other Secured Parties (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or 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 (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 shareholder, officer, agent or director 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 Directors, the Initial Purchaser, the Sole Arranger, the Collateral Manager, the Corporate Services 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) *Exercise of Rights in Respect of the Portfolio*

Pursuant to the Collateral Management 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.

(e) *Information Regarding the Collateral*

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is made available to each Noteholder of each Class, the Trustee, the Collateral Manager and the Rating Agencies within two Business Days of publication thereof.

(f) *Securitisation Regulation*

The Issuer hereby agrees to be designated as the entity required to fulfil the EU Transparency Requirements. The Issuer will assume all costs of complying with the EU Transparency Requirements (including the properly incurred costs and expenses (including legal fees) of all parties incurred amending the Transaction Documents for this purpose) and, if applicable, shall reimburse each of the Collateral Manager and/or the Collateral Administrator for any such costs incurred by the Collateral Manager or the Collateral Administrator in connection with their assisting the Issuer with the preparation and/or filing of such information and reports required pursuant to the EU Transparency Requirements, such costs to be paid as Administrative Expenses and/or Trustee Fees and Expenses, as applicable.

5. COVENANTS OF AND RESTRICTIONS ON THE ISSUER

(a) *Covenants of the Issuer*

Unless otherwise provided in the Trust Deed, 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 Agreement;

(D) under the Collateral Management Agreement;

(E) under the Corporate Services Agreement;

(F) under the Collateral Acquisition Agreements;

(G) under the Risk Retention Letter;

(H) under any Hedge Agreements; and

(I) under any Reporting Agreement;

(ii) comply with its obligations under the Notes, the Trust Deed, the Agency Agreement, the Collateral Management Agreement, each Reporting Agreement and each other Transaction Document to which it is a party;

(iii) keep proper books of account;

(iv) at all times maintain its tax residence outside the United Kingdom and the United States and will not establish a branch, agency, permanent establishment or place of business (and in this regard no account shall be taken of the activities which the Collateral Manager carries out on behalf of the Issuer pursuant to the Collateral Management Agreement) or register as a company in the United Kingdom or the United States or elsewhere outside of Ireland, and shall not do or permit anything within its control which might result in its residence being considered to be outside Ireland for tax purposes;

(v) maintain its central management and control and its place of effective management only in Ireland and in particular shall not be treated under any of the double taxation treaties entered into by Ireland as being resident in any other jurisdiction;

(vi) procure that at all times the Register (and any counterpart thereof) is kept and maintained outside the United Kingdom;

(vii) conduct its business and affairs such that, at all times:

(A) it shall maintain its registered office in Ireland;

(B) it shall hold all meetings of its board of Directors in Ireland and ensure that all of its directors are resident in Ireland for Irish tax purposes, that they will exercise their control over the business of the Issuer independently and that those directors (acting independently) exercise their authority only from and within Ireland by taking all key decisions relating to the Issuer in Ireland;

(C) it shall not open any office or branch or place of business outside of Ireland; and

(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 Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**Recast EU Insolvency Regulation**")) to be located in any jurisdiction other than Ireland and will not establish any offices, branches or other establishments (as defined in the Recast EU Insolvency Regulation) or register as a company in any jurisdiction other than Ireland;

(viii) pay its debts generally as they fall due;

(ix) do all such things as are necessary to maintain its corporate existence;

(x) use its best endeavours to obtain and maintain the listing on the Global Exchange Market of Euronext Dublin 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 prior written approval of the Trustee) decide, *provided* that any such other stock exchange is a recognised stock exchange for the purposes of Section 64 of the Taxes Consolidation Act 1997 of Ireland and Section 1005 of the UK Income Tax Act 2007;

(xi) supply such information to the Rating Agencies as they may reasonably request;

(xii) ensure that its "centre of main interests" (as that term is described in the Insolvency Regulation)) and its tax residence is and remains at all times in Ireland;

(xiii) 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;

(xiv) promptly notify the Collateral Manager, the Collateral Administrator and the Noteholders (in accordance with and subject to Condition 16 (*Notices*) upon becoming aware of the occurrence of any of the events specified in Articles 7(1)(f) and 7(1)(g) of the Securitisation Regulation and without undue delay ensure the dissemination of such information as required by the EU Transparency Requirements; and

(xv) with reasonable assistance from the Collateral Manager, notify the Central Bank of Ireland of the transaction described in the Transaction Documents no later than 15 Irish Business Days after the Issue Date, which notification shall comply with the Central Bank of Ireland's guidance in relation to the Irish STS Regulations.

(b) *Restrictions on the Issuer*

As more fully described in the Trust Deed, for so long as any of the Notes remain Outstanding, save as contemplated 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, other than in accordance with the Collateral Management Agreement, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral except in accordance with the Trust Deed, these Conditions or the Transaction Documents;

(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 other than in accordance with the Trust Deed, these Conditions or the Transaction Documents;

(iii) engage in any business other than the holding and managing or both the holding and managing of "qualifying assets" within the meaning of Section 110 of the Taxes Consolidation Act 1997, as amended, of Ireland (the "**TCA**") and in connection therewith shall not 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 Agreement, the Collateral Management Agreement, any Reporting 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 (save in accordance with these Conditions and the Trust Deed);

(v) agree to any amendment to any provision of, or grant any waiver or consent under the Trust Deed, the Agency Agreement, the Collateral Management Agreement, any Reporting Agreement, the Corporate Services Agreement or any other Transaction Document to which it is a party;

(vi) incur any indebtedness for borrowed money, other than in respect of:

(A) the Notes (including the issuance of additional Notes pursuant to Condition 17 (*Additional Issuances*)) or any document entered into in connection with the Notes or the sale thereof or any additional Notes or the sale thereof; or

(B) any Refinancing,

or as otherwise contemplated or permitted pursuant to the Trust Deed, the Collateral Management Agreement or the other Transaction Documents;

(vii) amend its constitutional documents (save where such amendment is necessary as a matter of Irish law);

(viii) have any subsidiaries or establish any offices, branches or other "establishment" (as that term is used in article 2(10) of the Recast Insolvency Regulations) outside of Ireland;

(ix) have any employees (for the avoidance of doubt, the 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, otherwise than as contemplated in these Conditions;

(xii) issue any shares (other than such share as 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 two years 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) otherwise than as contemplated in the Transaction Documents, release from or terminate the appointment of the Custodian or the Account Bank under the Agency Agreement, the Collateral Manager or the Collateral Administrator under the Collateral Management Agreement (including, in each case, any transactions entered into thereunder) or, in each case, from any executory obligation thereunder;

(xv) commingle its assets with those of any other Person or entity;

(xvi) make any election within the meaning of Section 110(6) of the TCA;

(xvii) take any action which would cause it to cease to be a "qualifying company" within the meaning of Section 110 of the TCA;

(xviii) enter into any lease in respect of, or own, premises;

(xix) acquire Collateral Debt Obligations, Collateral Enhancement Obligations or any other obligations or securities issued by its partners or shareholders (if any); or

(xx) act as an entity that issues notes to investors and use the proceeds to grant new loans on its own account, but will purchase loans from another lender and therefore is not considered a first lender (for the purpose of Regulation (EC) No 24/2009 of the European Central Bank).

6. INTEREST

(a) *Payment Dates*

(i) *Fixed Rate Notes and Floating Rate Notes*

The Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes each bear interest from (and including) the Issue Date and such interest will be payable:

(A) in the case of interest accrued during the initial Accrual Period, for the period from (and including) the Issue Date to (but excluding) the Payment Date falling on or about 15 April 2021); and

(B) thereafter:

(1) at any time prior to the occurrence of a Frequency Switch Event, quarterly; and

(2) at any time following the occurrence of a Frequency Switch Event, semi-annually,

in each case, 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 (AA) of the Interest Proceeds Priority of Payments, paragraph (Q) of the Principal Proceeds Priority of Payments, paragraphs (B) and (C) of the Collateral Enhancement Obligation Proceeds Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payments on

each 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 and 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 following payment in full of amounts payable pursuant to the Priorities of Payments on such Payment Date.

(iii) *Class M Notes*

Interest shall be payable on the Class M Notes to the extent funds are available and in accordance with paragraphs (E) and (U) of the Interest Proceeds Priority of Payments, paragraphs (A) and (P) of the Principal Proceeds Priority of Payments and paragraphs (E) and (S) of the Post-Acceleration Priority of Payments on each Payment Date. Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Class M 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 €1.00 principal amount of such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of such Class of Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1.00, 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 €1.00 principal shall no longer remain Outstanding and such Class of Notes shall be redeemed in full on the Maturity Date or the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

(b) *Interest Accrual*

(i) *Interest Accrual*

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 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) *Class M Notes and Subordinated Notes*

Payments on the Class M Notes and the Subordinated Notes will cease to be payable in respect of each Class M Note and Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds remain available for distribution in accordance with the Priorities of Payments.

(c) *Deferral of Interest*

Unless a Frequency Switch Event has occurred and the relevant Class of Notes is the Controlling Class at such time, the Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of 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.

Unless a Frequency Switch Event has occurred and the relevant Class of Notes is the Controlling Class at such time, in the case of the Class C Notes, the Class D Notes or the Class E Notes, 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 of Notes 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 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 of Notes, and the failure to pay such Deferred Interest to the holders of the Class C Notes, the Class D Notes or the Class E Notes, as applicable, will not be a Note Event of Default until the Maturity Date or any earlier date when the Notes are redeemed in full.

The Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of the Class M Notes in full on any Payment Date to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payments.

In the case of the Class M Notes, an amount of interest equal to any shortfall in payment of an Interest Amount which would, but for the third paragraph of this Condition 6(c) (*Deferral of Interest*) otherwise be due and payable in respect of such Class of Notes on any Payment Date (each such amount being referred to as "**Deferred Interest**") will not be payable on such Payment Date, and will not be added to the principal amount of the Class M Notes, but shall be payable on the next Payment Date to the extent of available funds provided that the failure to pay such Deferred Interest to the holders of the Class M Notes will not be a Note Event of Default until the Maturity Date or any earlier date on which the Notes are to be repaid or redeemed in full.

Interest will cease to accrue on each Note, or in the case of a partial repayment, on such part, from the date of repayment or the Maturity Date 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 C Note, Class D Note, Class E Note or Class M Note shall only become payable by the Issuer in accordance with paragraphs (E)(2), (K), (N), (Q), and (U)(2) of the Interest Proceeds Priority of Payments, paragraphs (A), (C), (F), (I) and (P) of the Principal Proceeds Priority of Payments and paragraphs (E)(2), (K), (N), (Q) and (S)(2) of the Post-Acceleration Priority of Payments, as applicable, 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, 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 any Class X Notes, Class A Notes and/or Class B Notes remain Outstanding, Deferred Interest on the Class C Notes and/or the Class D Notes and/or the Class E Notes, as applicable will be added to the principal amount of the Class C Notes and/or the Class D Notes and/or the Class E Notes, as applicable, whereas Deferred Interest on the Class M Notes will not be added to the principal amount of the Class M Notes. An amount equal to any such Deferred Interest so paid (other than in respect of the Class M Notes) shall be subtracted from the principal amount of the Class C Notes and/or 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 X Notes (the "**Class X Floating Rate of Interest**"), the Class A Notes (the "**Class A Floating Rate of Interest**"), in respect of the Class B-2 Notes (the "**Class B-2 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:

(A) in the case of the initial Accrual Period, the Calculation Agent will determine, a straight line interpolation of the offered rate for 6-month and 12-month Euro deposits;

(B) prior to the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for three-month Euro deposits; and

(C) following the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for six-month Euro deposits (*provided* that, if the Accrual Period ending on the Maturity Date is a three-month period, the Calculation Agent will determine the offered rate for three-month Euro deposits on the Interest Determination Date relating to such period),

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question and subject to a floor of zero ("**EURIBOR**"). Such offered rate will be that which appears on the display designated on the Bloomberg Screen Page (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-2 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 (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 this paragraph (2) 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 selected by the Issuer (or the Collateral Manager on the Issuer's behalf) (the "**Reference Banks**") to provide the Calculation Agent with:

(A) in the case of the initial Accrual Period, a straight line interpolation of its offered quotation to leading banks for Euro deposits in the Euro zone interbank market for a period of 6 months and 12 months;

(B) prior to the occurrence of a Frequency Switch Event, its offered quotation to leading banks for Euro deposits in the Euro zone interbank market for a period of three months; and

(C) following the occurrence of a Frequency Switch Event, its offered quotation to leading banks for Euro deposits in the Euro zone interbank market for a period of six months (*provided* that, if the Accrual Period ending on the Maturity Date is a three-month period, the Calculation Agent shall request such offered quotations for a period of three months),

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question and subject to a floor of zero. The Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-2 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 offered rate for three or six-months Euro deposits used to calculate the Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-2

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 X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-2 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; *provided* that in respect of any Accrual Period during which a Frequency Switch Event occurs, the Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-2 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 shall be calculated using the offered rate for six-month Euro deposits using the rate available as at the previous Interest Determination Date.

(4) Where:

"**Applicable Margin**" means:

(i) in the case of the Class X Notes: 0.70 per cent. per annum (the "**Class X Margin**");

(ii) in the case of the Class A Notes: 1.45 per cent. per annum (the "**Class A Margin**");

(iii) in the case of the Class B-2 Notes: 2.10 per cent. per annum (the "**Class B Margin**");

(iv) in the case of the Class C Notes: 2.90 per cent. per annum (the "**Class C Margin**");

(v) in the case of the Class D Notes: 4.00 per cent. per annum (the "**Class D Margin**"); and

(vi) in the case of the Class E Notes: 6.13 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 X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-2 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 the Class X Notes, the Class A Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes and the Class E Notes for the relevant Accrual Period. The amount of interest (the "**Interest Amount**") payable in respect of such Notes shall be calculated by applying the Class X Floating Rate of Interest in the case of the Class X Notes, the Class A Floating Rate of Interest in the case of the Class A Notes, the Class B-2 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 the Class X Notes, the Class A Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes and the Class E Notes (as applicable), 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) *Calculation of Class B-1 Fixed Amounts*

The Calculation Agent will, as soon as practicable after 11:00 a.m. (Brussels time) on each Interest Determination Date, but in no event later than the Business Day after such date, calculate the amount of interest (the "**Interest Amount**") payable in respect of the Class B-1 Notes for the relevant Accrual Period by applying the Class B-1 Fixed Rate to an amount equal to the Principal Amount Outstanding in respect of the Class B-1 Notes, multiplying the product by the number of days in the Accrual Period concerned (the number of days to be calculated on the basis of a year of 360 days

with 12 months of 30 days each), divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards),

where "**Class B-1 Fixed Rate**" means 2.55 per cent. *per annum*.

(iv) *Reference Banks and Calculation Agent*

The Issuer will procure that, so long as any Class X Note, Class A Note, Class B Note, Class C Note, Class D Note 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 in the case of the Class X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-2 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 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 appointed.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any Floating Rate of Interest for any 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 in respect of Subordinated Notes*

Solely in respect of Subordinated Notes, the Calculation Agent will on each Determination Date calculate the interest payable to the extent of available funds in respect of an original principal amount of Subordinated Notes for the relevant Accrual Period. The interest payable on each Payment Date in respect of an original principal amount of Subordinated Notes shall be calculated by multiplying the amount of Interest Proceeds, Principal Proceeds or Collateral Enhancement Obligation Proceeds to be applied on the Subordinated Notes on the applicable Payment Date pursuant to paragraph (AA) of the Interest Proceeds Priority of Payments, paragraph (Q) of the Principal Proceeds Priority of Payments, paragraphs (B) and (C) of the Collateral Enhancement Obligation Proceeds Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payment by fractions equal to the amount of the Subordinated Notes, 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 X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-2 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 the Interest Amounts payable in respect of each Class of Rated Notes and the Class M Notes, the amount of any Deferred Interest due but not paid on any Class C Notes, Class D Notes, Class E Notes or Class M Notes, in each case for each Accrual Period and Payment Date, the occurrence of a Frequency Switch Event on any Determination Date (following notification by the Collateral Manager or the Collateral Administrator of any such occurrence), 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 Transfer Agent, the Trustee and the Collateral Manager, for so long as the Notes are listed on the Global Exchange Market of Euronext Dublin, Euronext Dublin as soon as possible after their determination but in no event later than the fourth Business Day thereafter, and the Principal Paying Agent shall cause each such rate, amount and date, and occurrence of a Frequency Switch Event, to be notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Principal Paying Agent but in no event later than the third Business Day after such notification. The Interest Amounts in respect of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and the Class M Notes or the Payment Date in respect of any Class of Notes 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 X Floating Rate of Interest, the Class A Floating Rate of Interest, the Class B-2 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) shall 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 is required to 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 be binding on the Issuer, the Reference Banks, the Calculation Agent, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders, save in the case that the Issuer certifies that any such notification, opinion, determination, certificate, quotation and decision is erroneous and the Issuer publishes a correction in accordance with Condition 16 (*Notices*), *provided* that the Trustee shall be under no obligation actively to monitor any such notifications, opinions, determinations, certificates, quotations and decisions for such errors. No liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks 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 M Notes and the Rated 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 (Q) of the Principal Proceeds 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 or Retention Holder*

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*), Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(vi) (*Optional Redemption in whole of all Classes of Notes effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices from Sale Proceeds or any Refinancing Proceeds (or a combination thereof):

(A) on any Business Day falling on or after expiry of the Non-Call Period at the direction of:

(1) the Retention Holder; or

(2) the Subordinated Noteholders acting by an Ordinary Resolution (as evidenced by duly completed Redemption Notices); or

(B) upon the occurrence of a Collateral Tax Event, on any Business Day falling after such occurrence at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices).

(ii) *Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*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)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below) on any Business Day falling on or after expiry of the Non-Call Period at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices) or at the written direction of the Collateral Manager. No such Optional Redemption may occur unless any Class of Rated Notes to be redeemed represents the entire Class of such Rated Notes.

(iii) *Optional Redemption in Whole – Collateral Manager Clean-up Call*

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vi) (*Optional Redemption in whole of all Classes of Notes effected through Liquidation only*), 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 Business Day 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 Collateral Balance is less than 20 per cent. of the Target Par Amount and if directed in writing by the Collateral Manager.

(iv) *Terms and Conditions of an Optional Redemption*

In connection with any Optional Redemption:

(A) the Issuer shall procure that at least 15 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*);

(B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices subject, in the case of an Optional Redemption of all Classes 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, the Trustee and the Collateral Manager no later than 10 days (or such shorter period of time as may be agreed by the Trustee and the Collateral Manager, (with regard to the Collateral Manager only, acting reasonably)) prior to the relevant Redemption Date;

(C) the Collateral Manager shall have no right or other ability under the Collateral Management Agreement (but without prejudice to its rights in respect of any Subordinated Notes which it or its Affiliates may hold) to prevent an Optional Redemption directed by the Subordinated Noteholders in accordance with this Condition 7(b) (*Optional Redemption*);

(D) any such redemption must comply with the procedures set out in Condition 7(b)(vii) (*Mechanics of Redemption*); and

(E) any redemption in part of the Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*) may be effected solely from Refinancing Proceeds in accordance with

Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below.

(v) *Optional Redemption effected in whole or in part through Refinancing*

Following receipt of, or as the case may be, confirmation from the Registrar of receipt of (i) a direction in writing from the requisite percentage of Subordinated Noteholders; or (ii) a direction in writing from the Collateral Manager, as the case may be, to exercise any right of optional redemption pursuant Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*) or Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*), the Issuer may:

(A) in the case of a redemption in whole of all Classes of Rated Notes in accordance with Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*) (1) enter into a loan (as borrower thereunder) with one or more financial institutions; or (2) issue replacement notes; and

(B) in the case of a redemption in part of the entire Class of a Class of Rated Notes (or, in relation to the Class B Notes, the redemption of the entire tranche of Class B-1 Notes or Class B-2 Notes) in accordance with Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*), issue replacement notes (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 Collateral Manager and each Refinancing is required to satisfy the conditions described in this Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

Refinancing Proceeds shall 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 or Retention Holder*). In addition, Refinancing Proceeds may be applied in the redemption of the Rated Notes in part by Class (or, in relation to the Class B Notes, the redemption of the entire tranche of Class B-1 Notes and/or Class B-2 Notes) pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*).

In connection with a Refinancing pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*), the Collateral Manager may designate Principal Proceeds as Interest Proceeds in an amount not to exceed the Excess Par Amount.

(C) Refinancing in relation to a Redemption in Whole

In the case of a Refinancing in relation to the redemption of all Classes of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*) as described above, such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to the Rating Agencies;

(2) all Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Debt 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 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 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, 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;

(5) all Refinancing Proceeds and all Sale Proceeds, if any, from the sale of Collateral Debt Obligations and Eligible Investments are received by (or on behalf of) the Issuer on or prior to the applicable Redemption Date;

(6) the Collateral Manager has consented in writing to such Refinancing; and

(7) any issuance of replacement notes would not result in non-compliance by the Collateral Manager with the EU Retention Requirements,

in each case, as certified to the Issuer and the Trustee by the Collateral Manager (upon which certification the Trustee shall rely without further enquiry and without liability).

(D) Refinancing in relation to a Redemption in Part of a Class or Classes of Notes in Whole

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 – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*), such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to the Rating Agencies;

(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 (or tranche, as applicable) which is subject to the redemption;

(4) the sum of (A) the Refinancing Proceeds and (B) the amount of Partial Redemption 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 Proceeds 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 tranche, Class or Classes of Rated Notes, as applicable, subject to the Optional Redemption; plus

(b) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing;

(5) if the Partial Redemption Date is not otherwise a Payment Date, the Collateral Manager reasonably determines that Interest Proceeds will be available on the next following Payment Date in an amount at least equal to the sum of (i) the amount that will be required for distribution under the Interest Proceeds Priority of Payments for the payment of Trustee Fees and Expenses and Administrative Expenses on the next following Payment Date (for the avoidance of doubt, after taking into account any reduction in the Senior Expenses Cap on such Payment Date in connection with the application of Partial Redemption Interest Proceeds on the applicable Redemption Date in accordance with the definition of Senior Expenses Cap) on such Payment Date and (ii) the amount required for distribution under the Interest Proceeds Priority of Payments as accrued and unpaid interest on the Rated Notes;

(6) the Refinancing Proceeds are used (to the extent necessary) to make such redemption;

(7) 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;

(8) the aggregate principal amount of the Refinancing Obligations in respect of each tranche or Class of Notes being redeemed is equal to the aggregate Principal Amount Outstanding

of the relevant tranche or Class of Notes, as applicable, being redeemed with the Refinancing Proceeds and Partial Redemption Interest Proceeds;

(9) the maturity date of each class of Refinancing Obligation is the same as the Maturity Date of the tranche, Class or Classes of Notes being redeemed, as applicable, with the Refinancing Proceeds;

(10) the interest rate of any Refinancing Obligations will be equal to or less than the interest rate of the Class of the Rated Notes subject to such Optional Redemption in respect of the Refinancing;

(11) 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 than the relevant Class or Classes of Rated Notes being redeemed;

(12) the voting rights, consent rights, redemption rights (other than any modification to remove the right of the Subordinated Noteholders or any other party to direct the Issuer to redeem by refinancing the Refinancing Obligations) and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class of Rated Notes being redeemed;

(13) all Refinancing Proceeds are received by (or on behalf of) the Issuer prior to or on the applicable Redemption Date;

(14) (other than with respect to an Optional Redemption in part directed by the Collateral Manager) the Collateral Manager has consented in writing to such Refinancing;

(15) any issuance of replacement notes would not result in non-compliance by the Collateral Manager with the EU Retention Requirements; and

(16) the Refinancing Proceeds and Partial Redemption Interest Proceeds are applied in accordance with the Partial Redemption Priority of Payments,

in each case, as certified to the Issuer and the Trustee by the Collateral Manager (upon which certification the Trustee shall rely without further enquiry and without liability).

If, in relation to a proposed optional redemption of the Notes, any of the conditions specified in this Condition 7(b)(v) (*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 Administrator or the Trustee shall be liable to any party, including the Subordinated Noteholders, for any failure to obtain a Refinancing, and any such failure shall not constitute a Note Event of Default.

(E) Consequential Amendments

Following a Refinancing, the Trustee shall agree to the modification of the Trust Deed and the other Transaction Documents to the extent which the Issuer (or the Collateral Manager acting on behalf of the Issuer) certifies is necessary (upon which certification the Trustee shall rely without further enquiry and without liability) to reflect the terms of the Refinancing (including any modification to remove the right of the Subordinated Noteholders or any other party to direct the Issuer to redeem by refinancing the Class(es) of Notes subject to a Refinancing), subject to 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, but any such amendments shall be subject always to the provisions of Condition 14(c) (*Modification and Waiver*).

The Trustee will not be obliged to enter into any modification that, in its sole opinion, adversely affects its rights, powers, duties, obligations, liabilities, indemnities or protections under the Trust Deed, and the Trustee will be entitled to conclusively rely upon an officer's certificate and/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 the 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).

(vi) *Optional Redemption in whole of all Classes of Notes effected through Liquidation only*

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Registrar of a direction in writing from the required party or requisite percentage of Noteholders, as the case may be, in accordance with Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders or Retention Holder*) or Condition 7(g) (*Redemption following Note Tax Event*) or Condition 7(b)(iii) (*Optional Redemption in Whole – Collateral Manager Clean-up Call*), to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) to be effected solely through the liquidation or realisation of the Collateral (or any part thereof), 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 it has received such notice or confirmation at least 15 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 or managed funds will be permitted to purchase Collateral Debt Obligations in the Portfolio where the Subordinated Noteholders exercise their right of early redemption pursuant to this Condition 7(b) (*Optional Redemption*).

The Notes shall not be optionally redeemed pursuant to this Condition 7(b)(vi) (*Optional Redemption in whole of all Classes of Notes effected through Liquidation only*) where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio (or any part thereof) unless:

(A) no later than the Business Day before the scheduled Redemption Date, the Issuer (or the Collateral Manager on its behalf) certifies to the Trustee that the Issuer has or will have received, no later than the Business Day prior to the scheduled Redemption Date, proceeds of disposition of 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 and (without duplication) amounts standing to the credit of the Accounts which would be applied in accordance with the Post-Acceleration Priority of Payments if the Notes fell due for redemption in full, to meet the Redemption Threshold Amount, *provided* that, if the Issuer has received funds from a purchaser of one or more Collateral Debt Obligations (in whole or in part), but such Collateral Debt Obligations have not yet been disposed of by transfer of legal title, such funds will be included within the calculation of whether the Redemption Threshold Amount has been met; and

(B) (i) prior to selling any Collateral Debt Obligations and/or Eligible Investments, the Collateral Manager certifies to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale or maturing of Eligible Investments, (B) for each Collateral Debt Obligation, the product of its Principal Balance and its Market Value and (C) (without duplication) amounts standing to the credit of the Accounts which would be applied in accordance with the Post-Acceleration Priority of Payments if the Notes fell due for redemption in full, shall meet or exceed the Redemption Threshold Amount.

Prior to the scheduled Redemption Date, the Collateral Administrator shall give notice to the Trustee in writing of the amount of all expenses incurred by the Issuer up to and including the scheduled Redemption Date in effecting such liquidation.

Any certification delivered by the Collateral Manager pursuant to this section must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Debt Obligations and/or Eligible Investments and (2) all calculations required by this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) (as applicable). The Trustee shall be entitled to rely upon such certification without further enquiry and without liability. The Collateral Manager or any of the Collateral Manager's Affiliates or managed

funds shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Debt Obligations to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vi) (*Optional Redemption in whole of all Classes of Notes effected through Liquidation only*).

If either of the 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*). Such cancellation shall not constitute a Note Event of Default.

(vii) *Mechanics of Redemption*

Following calculation by the Collateral Administrator in consultation with 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 Agreement and shall notify the Issuer, the Trustee, the Collateral Manager and the Registrar, whereupon the Registrar shall notify the Noteholders (in accordance with Condition 16 (*Notices*)) of such amounts.

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 Note Tax Event*) shall be effected by delivery to a Transfer Agent, by the requisite amount of Subordinated Noteholders or the requisite amount of Noteholders of the Controlling Class (as applicable) of the Notes, as applicable, held thereby in respect of which such right is exercised and presenting such Definitive Certificate or Global Certificate for endorsement of exercise together with duly completed Redemption Notices not less than 15 days, or such shorter period of time as the Trustee and the Collateral Manager find reasonably acceptable prior to the applicable Redemption Date. No Redemption Notice and Subordinated Note or Notes comprising the Controlling Class so delivered or any direction given by the Collateral Manager or the Retention Holder 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 or the Retention Holder received to each of the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and, if applicable, the Collateral Manager.

The Collateral Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and the Registrar upon satisfaction of any of the conditions set out in this Condition 7(b) (*Optional Redemption*) 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 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*) in the Payment Account on or prior to the applicable Redemption Date (in the case of a Refinancing) or on the Business Day prior to the applicable Redemption Date (in the case of a redemption by liquidation). Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of all the Rated Notes shall be payable in accordance with the Post-Acceleration Priority of Payments. Refinancing Proceeds received in connection with a redemption in whole of a Class of Rated Notes (other than a redemption in whole of all Classes of Rated Notes) shall be paid to the holders of such Class of Notes to the extent required to redeem such Class of Notes.

(viii) *Optional Redemption of Subordinated Notes*

The Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Business Day on or after the redemption or repayment in full of the Rated Notes, at the direction of either of (x) the Subordinated Noteholders (acting by Ordinary Resolution) (as evidenced by duly completed Redemption Notices) or (y) the Collateral Manager.

(c) *Mandatory Redemption upon Breach of Coverage Tests*

(i) *Class X Notes, Class A Notes and Class B Notes*

If the Class A/B Par Value Test is not satisfied on any Determination Date on and after the Effective Date or if the Class A/B Interest Coverage Test is not satisfied on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A 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 Tests are satisfied if recalculated following such redemption.

(ii) *Class C Notes*

If the Class C Par Value Test is not satisfied on any Determination Date on and after the Effective Date or if the Class C Interest Coverage Test is not satisfied on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A 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.

(iii) *Class D Notes*

If the Class D Par Value Test is not satisfied on any Determination Date on and after the Effective Date or if the Class D Interest Coverage Test is not satisfied on the Determination Date immediately preceding the second Payment Date and each Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A 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.

(iv) *Class E Notes*

If the Class E Par Value Test is not satisfied on any Determination Date on and after the end of the Reinvestment Period only, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes 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 the Class E Par Value Test is satisfied if recalculated following such redemption.

(d) *Special Redemption*

A special redemption ("**Special Redemption**") of the Notes may occur in the circumstances described in (i) and (ii) below. 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 for, any Noteholder or any other person for the exercise or non-exercise (as applicable) of such Special Redemption.

(i) On and after the Effective Date and during the Reinvestment Period, principal payments on the Notes shall be made in accordance with paragraph (T) of the Interest Proceeds Priority of Payments if (x) the Reinvestment Overcollateralisation Test is not satisfied, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (S) thereof, and (y) the Collateral Manager determines in its discretion that it is unable to identify such additional Collateral Debt Obligations that it considers appropriate for such reinvestment. In such circumstances, an amount up to the applicable Required Diversion Amount (as determined by the Collateral Manager) shall be applied in redemption of the Notes in accordance with the Note Payment Sequence.

(ii) Principal payments on the Notes shall be made in accordance with the Principal Proceeds Priority of Payments at the sole and absolute 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 to the Trustee (upon which certification the Trustee may rely without further enquiry and without liability) that using reasonable endeavours it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Debt Obligations that are deemed appropriate by the Collateral Manager (acting on behalf of the Issuer) in its discretion and which satisfy 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 Debt Obligations. On the first Payment Date following the Due Period in which such notice is given (a "**Special Redemption Date**"), the funds in the Principal Account representing Principal Proceeds which, using reasonable endeavours, cannot be reinvested in additional Collateral Debt Obligations or Substitute Collateral Debt Obligations (the "**Special Redemption Amount**") will be applied in accordance with paragraph (L) of the Principal Proceeds Priority of Payments. Notice of payments pursuant to this Condition 7(d)(ii) (*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 for, 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, either (x) the Issuer, at the direction of the Collateral Manager, shall purchase additional Collateral Debt Obligations until an Effective Date Rating Event is no longer continuing or (y) 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 the 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 take such steps as are available to it to cure the Note Tax Event, including without limitation by changing the territory in which it is resident for tax purposes to another jurisdiction which, at the time of such change, would not give rise to a Note Tax Event. Upon the earlier of (a) the date upon which the Issuer certifies to the Trustee (upon which certification the Trustee may rely without further enquiry and without liability) and notifies (or procures the notification of) the Noteholders that it is not able to cure the Note Tax Event and (b) the date which is 90 days from the date upon which the Issuer first becomes aware of such Note Tax Event (*provided* that such 90-day period shall be extended by a further 90 days in the event that during the former period the Issuer has notified (or procured the notification of) the Trustee and the Noteholders that, based on advice received by it, it expects that it shall have cured the Note Tax Event by the end of the latter 90-day period), the Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution (as evidenced by duly completed Redemption Notices), 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 (b)(vii) (*Mechanics of Redemption*).

(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*) and in accordance with the Priorities of Payments.

(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 Condition 7(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.

In respect of Notes represented by a Global Certificate, cancellation of any Note required by the 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.

(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, each Hedge Counterparty and Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies.

(k) *Purchase*

On any Payment Date falling during the Reinvestment Period, 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 Agreement the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using (a) Principal Proceeds (other than any amounts representing the Required Diversion Amount) standing to the credit of the Principal Account or amounts standing to the credit of the Collateral Enhancement Account, or (b) amounts standing to the credit of the Contributions Account.

No purchase of Rated Notes by the Issuer may occur unless each of the following conditions is satisfied:

(i) (A) such purchase of Rated Notes shall occur in the following sequential order of priority: *first*, the Class X Notes and the Class A Notes on a *pro rata* and a *pari passu* basis, until the Class X Notes and the Class A Notes are redeemed or purchased in full and cancelled; *second*, the Class B Notes on a *pari passu* basis, until the Class B Notes are redeemed or purchased in full and cancelled; *third*, the Class C Notes, until the Class C Notes are redeemed or purchased in full and cancelled; *fourth*, the Class D Notes, until the Class D Notes are redeemed or purchased in full and cancelled; and *fifth*, the Class E Notes, until the Class E Notes are redeemed or purchased in full and cancelled;;

(B) (1) 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 Collateral Enhancement Account and the Contributions Account that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;

(2) 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

(3) 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, and (x) in the case of the Class X Notes and the Class A Notes, on a *pari passu* basis between the relevant holders of the Class X Notes and the Class A Notes and (y) in the case of the Class B-1 Notes and the Class B-2 Notes on a *pari passu* basis between the relevant holders of the Class B-1 Notes and the Class B-2 Notes;

(C) each such purchase shall be effected only at prices discounted from par;

(D) each such purchase of Rated Notes shall occur prior to the expiry of the Reinvestment Period;

(E) 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 as it was immediately prior thereto;

(F) if Sale Proceeds are used to consummate any such purchase, either:

(1) each requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests (other than the S&P CDO Monitor Test) will be satisfied after giving effect to such purchase; or

(2) if any requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests (other than the S&P CDO Monitor Test) was not satisfied immediately prior to such purchase, such requirement or test will be maintained or improved after giving effect to such purchase;

(G) no Note Event of Default shall have occurred and be continuing;

(H) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold;

(I) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of Ireland); and

(J) the Issuer shall have given prior notice of such purchase to the Rating Agencies.

The Issuer shall surrender any purchased Rated Notes to the Registrar for cancellation and, 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 Notes shall be taken into account for purposes of all relevant calculations.

(l) *Mandatory Redemption of Class M Notes*

The Class M Notes shall be subject to mandatory redemption in part on each Payment Date beginning on (and including) the first Payment Date, in each case in an amount equal to the relevant Interest Amounts payable in respect of the Class M Notes and subject to and in accordance with the Priorities of Payment and on an available funds basis until the Principal Amount Outstanding thereon is equal to €1.

(m) *Mandatory Redemption of Class X Notes*

The Class X Notes shall be subject to mandatory redemption in part on each of the eight Payment Dates beginning on (and including) the first Payment Date immediately following the Issue Date in each case in an amount equal to the relevant Class X Principal Amortisation Amount.

(n) *Subordinated Notes*

The Subordinated Notes shall be entitled upon redemption to receive (i) the Principal Amount Outstanding thereof (if any), and (ii) any proceeds available in accordance with paragraph (AA) of Condition 3(c)(i) (*Application of Interest Proceeds*), paragraph (Q) of Condition 3(c)(ii) (*Application of Principal Proceeds*), paragraphs (B) and (C) of Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*) and paragraph (W) 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, to the extent proceeds are available and subject to Condition 4(c) (*Limited Recourse and Non-Petition*).

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 drawn on a bank in Western Europe and posted on the Business Day immediately preceding the relevant due date to the holder (or to the first named of joint holders) of the Note appearing on the Register at the close of business on the Record Date at his address shown on the register on the Record Date. 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.

Payments of principal and interest in respect of Notes represented by a Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Certificate to or to the order of the Principal Paying Agent or such other Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. On each occasion on which a payment of interest (unless the Notes represented thereby do not bear interest) or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register, if applicable, and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

(b) *Payments*

All payments are subject in all cases to (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 Agents*

The names of the initial Paying Agent and Transfer Agents and their initial specified offices are set out below. The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of the Paying Agent and any Transfer Agent and appoint additional or other Agents, *provided* that it will maintain a Paying Agent, 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

(a) All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland, or any political subdivision or any authority therein or thereof or anywhere else 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 such withholding or deduction shall be treated as paid for all purposes under the Notes, and shall not constitute a Note Event of Default under Condition 10(a) (*Note Events of Default*).

(b) Subject as provided below, if the Issuer certifies to the Trustee (upon which certification the Trustee may rely without further enquiry and without liability) 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 Ireland 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 (with the consent of the Trustee and save as provided below) shall use all reasonable endeavours to take such steps as are available to it as will result in there being no such requirement to withhold or account for tax for the substitution of a company incorporated in another jurisdiction approved in writing 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 and in accordance with the Trust Deed.

(c) Notwithstanding the above, if any taxes referred to in this Condition 9 (*Taxation*) arise:

(i) due to any present or former connection of any Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Noteholder if such Noteholder is an estate, a trust, a partnership, or a corporation) with Ireland (including, without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member of shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having had a permanent establishment therein) otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof;

(ii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland or other applicable taxing authority;

(iii) in connection with FATCA; or

(iv) any combination of the preceding paragraphs (i) through (iii) inclusive,

the requirements of Condition 7(g) (*Redemption following Note Tax Event*) shall not apply.

(d) 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 Payments as the paragraph which contains the payment in respect of which such withholding or deduction is required to be made.

10. EVENTS OF DEFAULT

(a) *Note Events of Default*

Any of the following events shall constitute a "**Note Event of Default**":

(i) *Non-payment of interest*

the Issuer fails to pay any Interest Amounts in respect of either (x) the Class X Notes, the Class A Notes or the Class B Notes or (y) following the occurrence of a Frequency Switch Event, the Controlling Class, in each case 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 after the Trustee or the Issuer receives written notice of, or has actual knowledge of, such administrative error or omission (save, in each case, as the result of any deduction therefrom or the imposition of any withholding thereon in the circumstances described in Condition 9 (*Taxation*)); *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 a Note Event of Default;

(ii) *Non-payment of principal*

the Issuer fails to pay any principal when the same becomes due and payable on any Note on any Redemption Date and such failure to pay such principal 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 after the Trustee or the Issuer receives written notice of, or has actual knowledge of, such administrative error or omission (save, in each case, as the result of any deduction therefrom or the imposition of any withholding therein in the circumstances described in Condition 9 (*Taxation*)) 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 a Note Event of Default;

(iii) *Default under Priorities of Payments*

the failure on any Payment Date to disburse amounts (other than as described in paragraph (i) (*Non-payment of interest)* or (ii) (*Non-payment of principal*) 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 ten Business Days or, 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 accordance with the standard of care set out in the Collateral Management Agreement and certified in writing to the Trustee (upon which certification the Trustee may rely absolutely and without further enquiry or liability), but without liability as to such determination), such failure continues for ten Business Days after the Trustee or the Issuer receives written notice of, or has actual knowledge of, such administrative error or omission;

(iv) *Collateral Debt Obligations*

on any Measurement Date on and after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to the Aggregate Collateral Balance and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A Notes, to equal or exceed 102.5 per cent.;

(v) *Breach of Other Obligations*

except as otherwise provided in the definition of "Note Event of Default", a default in a material respect in the performance by, or breach in a material respect of any material covenant of, the Issuer under the Trust Deed (*provided* that any failure to satisfy any Portfolio Profile Test, Collateral Quality Test or Coverage Test is not a Note Event of Default and any failure to satisfy the Effective Date Determination Requirements is not a Note Event of Default, except in either case to the extent provided in paragraph (iv) (*Collateral Debt Obligations*) above) or the failure of any material representation or warranty of the Issuer made in the Trust Deed, these Conditions or, in either case, 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, and the continuation of such default, breach or failure for a period of 30 days after notice to the Issuer and the Collateral Manager by registered or certified mail or courier, from the Trustee, the Issuer, or the Collateral Manager, or to the Issuer, the Collateral Manager and the Trustee from the Controlling Class acting pursuant to an Ordinary Resolution, 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 a Note 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 notice thereof in accordance herewith. For the purposes of this paragraph, the materiality of such default, breach, covenant, representation or warranty shall be determined by the Trustee;

(vi) *Insolvency Proceedings*

proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, examinership, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, administrative receiver, examiner, trustee, administrator, custodian, conservator, liquidator, curator or other similar official appointed in connection with any Insolvency Law or a security enforcement or related proceedings (a "**Receiver**") is appointed in relation to the Issuer or in relation to the whole or any substantial part (in the opinion of the Trustee) of the undertaking or assets of the Issuer and in any of the foregoing cases, except in relation to the appointment of a Receiver, is not discharged within 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*

(i) If a Note Event of Default occurs and is continuing, the Trustee may, at its discretion and shall, at the request of the Controlling Class acting by way of Ordinary Resolution, (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer, the Collateral Manager and each Hedge Counterparty that all the Notes are immediately due and repayable at their applicable Redemption Prices (such notice, an "**Acceleration Notice**"), *provided* that following the occurrence of a Note Event of Default described in paragraph (vi) or (vii) of the definition thereof, such notice shall be deemed to have been given and all the Notes shall automatically become immediately due and repayable at their applicable Redemption Prices.

(ii) Upon any such notice being given or deemed to have been given to the Issuer in accordance with Condition 10(b)(i) (*Acceleration*), all of the Notes shall immediately become 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)(i) (*Acceleration*) following the occurrence of a Note Event of Default (other than with respect to a Note Event of Default occurring under paragraph (vi) or (vii) of the definition thereof where such notice is not required) 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 Ordinary Resolution (and subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), rescind and annul such Acceleration Notice (deemed or actual) under paragraph (b)(i) above and its consequences if:

(i) the Issuer has paid or deposited with the Trustee 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 Trustee Fees and Expenses (without regard to the Senior Expenses Cap);

(D) all unpaid Administrative Expenses in the order of priority set out in the definition thereof (without regard to the Senior Expenses Cap); and

(E) all amounts due and payable by the Issuer under any Hedge Transaction; and

(ii) the Trustee has determined that all Note Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under paragraph (b) above due to such Note Events of Default, have been cured or waived.

All amounts received in respect of this Condition 10(c) (*Curing of Default*) shall be distributed two Business Days following the receipt by the Trustee of written notice from the Issuer confirming that the Issuer has received such amounts, in accordance with the Post-Acceleration Priority of Payments.

Any previous rescission and annulment of an Acceleration Notice (deemed or actual) pursuant to this paragraph (c) (*Curing of Default*) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or as subsequently requested, accelerates the Notes in accordance with Condition 10(b) (*Acceleration*) above or if the Notes are automatically accelerated in accordance with paragraph (b)(i) (*Acceleration*) above.

(d) *Restriction on Acceleration of Notes*

No acceleration of the Notes shall be permitted pursuant to this Condition 10(d) (*Restriction on Acceleration of Notes*) 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 Noteholders and each Hedge Counterparty in accordance with Condition 16 (*Notices*) and the Rating Agencies upon becoming aware of the occurrence of a Note 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 and upon request that no Note 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 a Note Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

(f) *Collateral Manager Events of Default*

Any of the following events shall constitute a "**Collateral Manager Event of Default**":

(i) the Collateral Manager wilfully violates or wilfully breaches any provision of the Transaction Documents applicable to the Collateral Manager and any such violation or breach is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders;

(ii) the Collateral Manager breaches any covenant or agreement of the Transaction Documents applicable to it (it being understood that the failure of any Coverage Test, any Collateral Quality Test or any Portfolio Profile Test is not such a breach) which breach, either individually or in aggregate, in the opinion of the Trustee, is materially prejudicial to the interests of the Noteholders (excluding for purposes of this paragraph (ii) any actions referred to in paragraph (i) above or paragraph (vi) below) and the Collateral Manager fails to cure such breach within 45 days after the earlier of (A) the date on which the Collateral Manager had actual knowledge of such breach or (B) the date on which the Collateral Manager received notice of such breach from the Trustee (it being understood that the Trustee will not provide such notice unless it receives a written direction from Noteholders representing at least 25 per cent. of the Principal Amount Outstanding of the Controlling Class); or, if such breach is not capable of cure within such 45 days, but the Collateral Manager, in good faith, believes it is capable of being cured in a longer period, within the period in which a reasonably prudent person could cure such breach, but in any case within 90 days after the date on which such 45-day period commenced;

(iii) any representation, certificate or other statement made or given in writing by the Collateral Manager (or any of its directors or officers) pursuant to the Transaction Documents proves to have been incorrect in any material respect when made or given, which materially incorrect representation, certificate or statement, either individually or in the aggregate, in the opinion of the Trustee, is materially prejudicial to the interests of the Noteholders (excluding for purposes of this clause (iii) any actions referred to in clause (i) above or clause (vi) below) and the Collateral Manager fails to take action within 45 days after the earlier of (A) the date on which the Collateral Manager had actual knowledge of such materially incorrect representation, certificate or statement or (B) the date on which the Collateral Manager received notice of such materially incorrect representation, certificate or statement from the Trustee (it being understood that the Trustee will not provide such notice unless it receives a written direction from Noteholders representing at least 25 per cent. of the Principal Amount Outstanding of the Controlling Class); so that the relevant facts will materially conform to such representation, or, if such materially incorrect representation, certificate or statement is not capable of cure within 45 days, but the Collateral Manager, in good faith, believes it is capable of being cured in a longer period, within the period in which a reasonably prudent person could cure such materially incorrect representation, certificate or statement, but in any case within 90 days after the date on which such 45-day period commenced;

(iv) the Collateral Manager is wound up or is dissolved or there is appointed over it or all or substantially all of its assets a receiver, administrator, administrative receiver, trustee or similar officer; or the Collateral Manager: (i) ceases to be able to, or admits in writing that it is unable to, pay its debts within the meaning of section 123 of the Insolvency Act 1986 as they become due and payable, or makes a general assignment for the benefit of, or seeks or enters into any composition or arrangement with, its creditors generally; (ii) applies for or consents (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, administrative receiver, trustee, assignee, custodian, liquidator or sequestrator (or other similar official) of the Collateral Manager or of any substantial part of its properties or assets, or authorises such an application or consent, or proceedings seeking such appointment are commenced against the Collateral Manager without such authorisation, consent or application and either continue undismissed for 60 consecutive days or any such appointment is ordered by a court or regulatory body having jurisdiction; (iii) authorises or files a voluntary petition in bankruptcy, or applies for or consents (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganisation, arrangement, readjustment of debt, insolvency, dissolution, or similar law, or authorises such application or consent, or proceedings to such end are instituted against the Collateral Manager without such authorisation, application or consent and remain undismissed for 60 consecutive days or result in adjudication of bankruptcy or insolvency or the issuance of an order for relief or equivalent procedure; or (iv) permits or suffers all or any substantial part of its properties or assets to be sequestered, subject to execution of distress or attached by court order and the order (if contested in good faith) remains undismissed for 60 consecutive days;

(v) the occurrence and continuation of a Note Event of Default specified in sub-paragraph (a)(i) (*Non-payment of interest*) or (a)(ii) (*Non-payment of principal*) of Condition 10(a) (*Note Events of Default*) which default is the direct result of any act or omission of the Collateral Manager constituting a breach of its duties under the Transaction Documents; or

(vi) the Collateral Manager ceasing to be authorised either internally or by any applicable law or regulation such that, as a result of such change, the Collateral Manager no longer has the capacity or the competence to perform its obligations as Collateral Manager under the Collateral Management Agreement;

(vii) the occurrence of any act by the Collateral Manager or any of its senior executive officers involved in the management of the Portfolio that constitutes fraud or criminal activity in the performance of the Collateral Manager's obligations specified in the Collateral Management Agreement; or

(viii) it becomes unlawful for the Collateral Manager to perform any of its material obligations under the Collateral Management Agreement.

Pursuant to the terms of the Collateral Management Agreement, the Collateral Manager may upon the occurrence of a Collateral Manager Event of Default pursuant to paragraphs (i) to (viii) of the definition thereof, subject to the appointment of a successor Collateral Manager, be removed upon at least 30 days' prior written notice by (i) the Issuer at its discretion; or (ii) the Trustee at the direction of the holders of

(A) the Subordinated Notes, acting by Extraordinary Resolution or (B) the Controlling Class, acting by Extraordinary Resolution, (for the avoidance of doubt, in each case any Notes held by the Collateral Manager or a Collateral Manager Related Person and any Notes held in the form of CM Non-Voting Notes and CM Exchangeable Non-Voting Notes shall not be deemed to be Outstanding for the purposes of determining the quorum for any meeting held for the purposes of passing such a resolution), *provided* that notice of such removal shall have been given to the holders of each Class of the Notes by the Issuer or the Trustee, as the case may be, in accordance with the Collateral Management Agreement.

The Issuer acknowledges that the rights of the Controlling Class to participate in the selection or removal of the Collateral Manager following a Collateral Manager Event of Default, as described above, are the rights of a creditor to exercise remedies upon the occurrence of an event of default.

11. ENFORCEMENT

(a) *Security Becoming Enforceable*

Subject as provided in paragraph (b) below, the security constituted by the Trust Deed over the Collateral shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*).

(b) *Enforcement*

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion and shall, if so directed by the Controlling Class acting by Ordinary Resolution, but subject always to Condition 4(c) (*Limited Recourse and Non-Petition*), institute such proceedings or take any other action against the Issuer 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 consequence 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 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) the Trustee (or an agent or other appointee on its behalf, including, without limitation, the Collateral Manager (an "**Enforcement Agent**")) determines (subject to paragraph (ii) below) (in accordance with Condition 11(b)(iii) below) that the anticipated proceeds realised from such Enforcement Action (after deducting and allowing for any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes and the Class E Notes) other than the Class M Notes and the Subordinated Notes and all amounts payable in priority to the Class M Notes and the Subordinated Notes pursuant to the Post-Acceleration Priority of Payments (such amount the "**Enforcement Threshold**" and such determination being an "**Enforcement Threshold Determination**"), subject to consultation with the Collateral Manager; or

(B) if the Enforcement Threshold will not have been met then subject to paragraph (ii) below:

(1) in the case of a Note Event of Default specified in sub-paragraph (i) (*Non-payment of interest*), (ii) (*Non-payment of principal*) or (iv) (*Collateral Debt Obligations*) of Condition 10(a) (*Note Events of Default*), the Controlling Class acting by way of Ordinary Resolution (and no other Class of Notes) directs the Trustee to take Enforcement Action without regard to any other Note Event of Default which has occurred prior to, contemporaneously with or subsequent to such Note Event of Default; or

(2) in the case of any other Note Event of Default, the Noteholders of each Class of Rated Notes voting separately by Class by way of Ordinary Resolution 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 or, in the case of Condition 11(b)(i)(B)(2) (*Enforcement*), each Class of Rated Notes as applicable, acting by Ordinary 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 X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class M 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) the Trustee shall determine or shall request that an Enforcement Agent determines the aggregate proceeds that can be realised pursuant to any Enforcement Action by using reasonable efforts to obtain (with the cooperation of the Collateral Manager if requested by the Trustee and in each case to the extent the Collateral Manager is not the Enforcement Agent), bid prices with respect to each asset comprising the Portfolio from two recognised dealers at the time making a market therein and shall compute the anticipated proceeds of sale or liquidation on the basis of the lower of such bid prices for each such asset. In the event that the Enforcement Agent (with the cooperation of the Collateral Manager if requested by the Trustee and in each case to the extent the Collateral Manager is not the Enforcement Agent) is only able to obtain bid prices with respect to an asset from one recognised dealer at the time making a market therein, the Enforcement Agent shall compute the anticipated proceeds of sale or liquidation on the basis of such one bid price. Provided that the Trustee exercises reasonable care in selecting an Enforcement Agent (if the Enforcement Agent is not the Collateral Manager), the Trustee may rely on the determination of such Enforcement Agent without liability. In addition, for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio, the Trustee may obtain and rely on (without liability) an opinion and/or advice of an independent investment banking firm, or other appropriate financial or legal advisor (the cost of which shall be payable to the Trustee as Trustee Fees and Expenses).

The Trustee shall notify the Noteholders (in accordance with Condition 16 (*Notices*)), the Issuer, the Agents, the Collateral Manager, each Hedge Counterparty and, so long as any of the Notes rated by one or more of the Rating Agencies remain Outstanding, each such Rating Agency in the event that the Trustee or an Enforcement Agent on its behalf makes an Enforcement Threshold Determination at any time or the Trustee takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following the delivery of an Acceleration Notice (deemed or otherwise) 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 or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or 7(g) (*Redemption following 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 (i) Counterparty Downgrade Collateral, any amounts standing to the credit of the Asset Swap Account which represent Sale Proceeds in respect of Non-Euro Obligations and/or Swap Tax Credits (which are required to be paid or returned to a Hedge Counterparty outside the Priorities of Payments) and (ii) any Collateral Enhancement Obligation Proceeds (which are required to be applied in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments)) 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 in respect of the related Due Period (other than amounts payable in respect of VAT to the recipient of a payment made by the Issuer pursuant to the Post-Acceleration Priority of Payments, amounts payable in respect of VAT to the relevant tax authority in respect of any Collateral Management Fee, "gross-up" payments and Irish corporation tax payable in respect of the Issuer Fee referred to below), as certified by an Authorised Officer of the Issuer to the Trustee, if any; and to the payment of the Issuer Fee to be retained by the Issuer for Irish corporate and tax purposes, for deposit into the Issuer Irish 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 following the

occurrence of a Note Event of Default which is continuing, payment of the Trustee Fees and Expenses under this paragraph shall not be limited to an amount equal to the Senior Expenses Cap and the Balance of the Expense Reserve Account;

(C) to the payment of Administrative Expenses, *provided* that following an enforcement of the Notes in accordance with Condition 11 (*Enforcement*) such payment shall only be made to any recipients thereof that are Secured Parties, in relation to each item thereof in the order of priority specified 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 following the occurrence of a Note Event of Default which is continuing, payment of the Administrative Expenses under this paragraph shall not be limited to an amount equal to the Senior Expenses Cap and the Balance of the Expense Reserve Account;

(D) to the payment on a *pro rata* and *pari passu* basis of any Scheduled Periodic Interest Rate Hedge Issuer Payments (to the extent not paid or provided for out of the Interest Account), Scheduled Periodic Asset Swap Issuer Payments (to the extent not paid or provided for out of the relevant Asset Swap Account) and Hedge Termination Payments (other than Defaulted Hedge Termination Payments) (to the extent not paid out of the Hedge Termination Account or the Counterparty Downgrade Collateral Account);

(E) to the payment:

(1) *firstly*, on a *pro rata* and *pari passu* basis to: (i) the Collateral Manager of the Senior Collateral Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or, other than following an enforcement of the Notes in accordance with Condition 11 (*Enforcement*), directly to the relevant taxing authority) save for any Deferred Senior Collateral Management Amounts which shall not be paid pursuant to this paragraph; and (ii) the Class M Noteholders of any Senior Class M Interest Amounts due and payable on the Class M Notes in respect of the Accrual Period ending on the Business Day immediately preceding such Payment Date (excluding any Deferred Interest thereon) towards the redemption on a *pro rata* basis of the Class M Notes until the Principal Amount Outstanding of the Class M Notes is equal to €1.00 and thereafter, in payment of any remaining such Senior Class M Interest Amounts as interest thereon until such Senior Class M Interest Amount has been paid in full; and

(2) *secondly*, on a *pro rata* and *pari passu* basis to: (i) the Collateral Manager, any previously due and unpaid Senior Collateral Management Fees (other than Deferred Senior Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or, other than following an enforcement of the Notes in accordance with Condition 11 (*Enforcement*), directly to the relevant taxing authority); and (ii) the Class M Noteholders of any Deferred Interest on the Class M Notes attributable to unpaid Senior Class M Interest Amounts which is due and payable pursuant to Condition 6(d) (*Payment of Deferred Interest*) towards the redemption on a *pro rata* basis of the Class M Notes until the Principal Amount Outstanding of the Class M Notes is equal to €1.00 and thereafter, in payment of any remaining such Senior Class M Interest Amounts as interest thereon until such Senior Class M Interest Amount has been paid in full,

(F) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class X Notes and the Class A Notes;

(G) to the redemption on a *pro rata* and *pari passu* basis of the Class X Notes and the Class A Notes, until the Class X Notes and the Class A Notes have been redeemed in full;

(H) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class B Notes;

(I) to the redemption on a *pro rata* and *pari passu* basis of the Class B Notes, until the Class B Notes have been redeemed in full;

(J) 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;

(K) to the payment on a *pro rata* basis of any Deferred Interest on the Class C Notes;

(L) to the redemption on a *pro rata* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(M) 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;

(N) to the payment on a *pro rata* basis of any Deferred Interest on the Class D Notes;

(O) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(P) 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;

(Q) to the payment on a *pro rata* basis of any Deferred Interest on the Class E Notes;

(R) to the redemption on a *pro rata* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(S) to the payment:

(1) *firstly*, on a *pro rata* and *pari passu* basis to: (i) the Collateral Manager of the Subordinated Collateral Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or, other than following an enforcement of the Note in accordance with Condition 11 (*Enforcement*), directly to the relevant tax authority); and (ii) any Subordinated Class M Interest Amounts due and payable on the Class M Notes in respect of the Accrual Period ending on the Business Day immediately preceding such Payment Date (excluding any Deferred Interest thereon) towards the redemption on a *pro rata* basis of the Class M Notes until the Principal Amount Outstanding of the Class M Notes is equal to €1.00 and thereafter, in payment of any remaining such Subordinated Class M Interest Amounts as interest thereon until such Subordinated Class M Interest Amount has been paid in full;

(2) *secondly*, on a *pro rata* and *pari passu* basis to: (i) the Collateral Manager of any previously due and unpaid Subordinated Collateral Management Fee (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or, other than following an enforcement of the Note in accordance with Condition 11 (*Enforcement*), directly to the relevant tax authority); and (ii) the Class M Noteholders of any Deferred Interest on the Class M Notes attributable to unpaid Subordinated Class M Interest Amounts which is due and payable pursuant to Condition 6(d) (*Payment of Deferred Interest*) towards the redemption on a *pro rata* basis of the Class M Notes until the Principal Amount Outstanding of the Class M Notes is equal to €1.00 and thereafter, in payment of any remaining such Subordinated Class M Interest Amounts as interest thereon until such Subordinated Class M Interest Amount has been paid in full;

(3) *thirdly*, *pro rata* and *pari passu* to the Collateral Manager in payment of any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts, the deferral of which has been rescinded by the Collateral Manager; and

(4) *fourthly*, to the repayment of any Collateral Manager Advances and any interest thereon;

(T) to the payment of Trustee Fees and Expenses not paid by reason of the Senior Expenses Cap (if any);

(U) to the payment of Administrative Expenses not paid by reason of the Senior Expenses Cap (if any), in relation to each item thereof, in the order of priority specified therein;

(V) to the payment on a *pro rata* and *pari passu* basis of any Defaulted Hedge Termination Payments due to any Hedge Counterparty; and

(W) (1) *firstly*, 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) *secondly*, if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on the date of such distribution including pursuant to paragraph (W)(1) above, paragraph (AA) of the Interest Proceeds Priority of Payments, paragraph (Q) of the Principal Proceeds Priority of Payments and pursuant to the Collateral Enhancement Obligation Proceeds Priority of Payments, the Incentive Collateral Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) *firstly*, 20 per cent. of any remaining Interest Proceeds and Principal Proceeds, to the payment to the Collateral Manager as an Incentive Collateral Management Fee (save for any Waived Incentive Collateral Management Amounts;

(b) *secondly*, any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(c) *thirdly*, 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),

provided, *however*, that when the Post-Acceleration Priority of Payments are applied as a result of the enforcement of the security pursuant to Condition 11(b) (*Enforcement*), payments contemplated in paragraphs (A), (C), (E), (S), (U) and (W) will only be made to such parties if they are Secured Parties.

Subject to the foregoing paragraph and other than in the case of any Incentive Collateral Management Fees or any Waived Incentive Collateral Management Amounts, if the Issuer must account to the recipient of any payment for any amounts in respect of VAT or in respect of any other taxes attributable to any of the items referred to in (B) to (W) above, then such amounts in respect of taxes shall be paid *pro rata* and *pari passu* with such items.

For the avoidance of doubt, at such time that the Post-Acceleration Priority of Payments becomes applicable, (i) any amounts standing to the credit of the Collateral Enhancement Account, and (ii) any Collateral Enhancement Obligation Proceeds shall not be subject to the Post-Acceleration Priority of Payments but shall be distributed in accordance with and subject to the Collateral Enhancement Obligation Proceeds Priority of Payments.

(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 written notice of such failure and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee. Any proceeds received by a Noteholder or other Secured Party pursuant to any such proceedings brought by a Noteholder or other Secured Party shall be paid promptly following receipt thereof to the Trustee for application pursuant to the terms hereof. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of Payments, no Noteholder or other Secured Party may take any further steps against the Issuer to recover any sum still

unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer in respect of such sums unpaid shall be extinguished. In particular, none of the Trustee, any Noteholder or any other Secured Party shall be entitled in respect thereof to petition or take any other step for the winding-up of the Issuer except to the extent permitted under the Trust Deed.

(d) *Purchase of Collateral by Noteholders*

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 Collateral Manager Related Person 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 out of the net proceeds of such sale is equal to or exceeds the purchase moneys so payable.

12. PRESCRIPTION

Claims in respect of principal and interest payable on redemption in full of the relevant Notes while the Notes are represented by a Definitive Certificate will become void unless presentation for payment is made as required by Condition 7 (*Redemption and Purchase*) 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 in respect of such Notes is received by the applicable Paying Agent.

Notwithstanding the above, claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

13. REPLACEMENT OF NOTES

If any Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of any Transfer Agent, subject in each case to all applicable laws and Euronext Dublin requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (*provided* that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes must be surrendered before replacements will be issued.

14. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

(a) *Provisions in Trust Deed*

The Trust Deed contains provisions for convening meetings of the Noteholders or any Class thereof (and for passing Written Resolutions or Electronic 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 or Extraordinary Resolution, in each case, either acting together or, to the extent specified in any applicable Transaction Document, as a Class of Noteholders acting independently. Such Resolutions can be effected either (i) at a duly convened meeting of the applicable Noteholders, (ii) by the applicable Noteholders resolving in writing or (iii) by electronic consent in accordance with the operating procedures of the Clearing Systems and the provisions of the Trust Deed, 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 (subject to being indemnified and/or secured and/or prefunded to its satisfaction) 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.

The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects the holders of only one or more Classes of Notes, in which event the required quorum and minimum percentage voting requirements of such Ordinary Resolution or Extraordinary Resolution may be determined by reference only to the holders of that Class or Classes of Notes and not the holders of any other Notes as set forth in the tables below.

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.

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 or Extraordinary Resolution, in each case, of all the Noteholders or of any Class 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 Notes of the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)
Ordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)

The Trust Deed does not contain any provision for higher quorums in any circumstances.

In connection with any Resolution, no Class M Notes shall constitute or form part of the Controlling Class.

(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 or Electronic 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 or Electronic Resolution. For the avoidance of doubt, for the purposes

of determining voting rights attributable to the Notes and the applicable quorum at any meeting of the Noteholders pursuant to this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and Schedule 5 (*Provisions for Meetings of the Noteholders of Each Class*) of the Trust Deed, the Class B-1 Notes and the Class B-2 Notes together shall be deemed to constitute a single class in respect of any voting rights specifically granted to them including as the Controlling Class (other than in relation to a Refinancing, in which case the Class B-1 Notes and the Class B-2 Notes shall constitute separate Classes).

Minimum Percentage Voting Requirements

Type of Resolution	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).....	More than 50 per cent.

(iv) *Written Resolutions*

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

(v) *Electronic Resolution*

The Trust Deed provides that any Extraordinary Resolution or Ordinary Resolution may be passed by way of consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the relevant number of required Noteholders for such Extraordinary Resolution or Ordinary Resolution (as applicable).

(vi) *All Resolutions Binding*

Subject to Condition (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 (and regardless of whether such Noteholders did not sign or vote on such Resolution passed by way of Written Resolution or Electronic Resolution (as applicable)).

(vii) *Extraordinary Resolution*

Subject to the right of veto of the Retention Holder referred to in Condition 14(b)(x) (*Retention Holder Veto*), any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution except for (1) a Resolution of the Subordinated Noteholders in order to sanction a Reset Amendment, in which case such Reset Amendment will be required to be passed by Ordinary Resolution of the Subordinated Noteholders only, (2) any modification made pursuant to Condition 14(c)(xlii) (*Modification and Waiver*), in which case such modification will be required to be passed by Ordinary Resolution of both the Controlling Class and the Subordinated Noteholders only and (iii) any modification or waiver made pursuant to Condition 14(c)(xvi) or 14(c)(xix) (*Modification and Waiver*), and shall additionally in each case require the consent of the Collateral Manager (in each case, subject to anything else specified in the Trust Deed, the Collateral Management Agreement or the relevant Transaction Document, as applicable):

(A) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity (other than in the case of a Refinancing);

(B) the modification of any provision relating to the timing and/or circumstances of the payment of interest or redemption of the Notes of the relevant Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated (other than in the case of a Refinancing));

(C) the modification of any of the provisions of the Trust Deed which would directly and adversely affect the calculation of the amount of any payment of interest or principal on any Note (other than in the case of a Refinancing);

(D) the adjustment of the outstanding principal amount of the Notes Outstanding of the relevant Class other than in connection with a further issue of Notes pursuant to Condition 17 (*Additional Issuances*);

(E) a change in the currency of payment of the Notes of a Class;

(F) any change in the Priorities of Payments or of any payment items in the Priorities of Payments;

(G) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution or any other provision of the Trust Deed or these Conditions which requires the written consent of the holders of a requisite principal amount of the Notes of any Class Outstanding;

(H) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed;

(I) any item requiring approval by Extraordinary Resolution pursuant to these Conditions or any Transaction Document; and

(J) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*).

(viii) *Ordinary Resolution*

Subject to the right of veto of the Retention Holder referred to in Condition 14(b)(x) (*Retention Holder Veto*), any meeting of the Noteholders shall, subject to these Conditions and the Trust Deed, have the power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (vii) (*Extraordinary Resolution*) above.

(ix) *Matters affecting a certain Class of Notes*

Matters affecting the interests of only one Class (in the opinion of the Trustee) shall only be considered by and voted upon at a meeting of Noteholders of that Class or by Written Resolution or Electronic Resolution of the holders of that Class.

(x) *Retention Holder Veto*

No Resolution to approve the exercise by the Issuer of its rights under Condition 14(c) (*Modification and Waiver*) to effect any modification of the Eligibility Criteria, the Portfolio Profile Tests, the Collateral Quality Tests, the Reinvestment Criteria or any material changes to them, in each case that could affect the Retention Holder's ability to comply with the EU Retention Requirements (save for those that are made to ensure compliance with the EU Retention Requirements) will be effective without the consent in writing of the Retention Holder.

(c) *Modification and Waiver*

Without the consent of the Noteholders (save where such consent is specified below), the Issuer may (with the consent of the Collateral Manager), subject to the right of veto of the Retention Holder referred to in Condition 14(b)(x) (*Retention Holder Veto*), amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto, except as otherwise provided therein) (as applicable), and the Trustee shall consent (without the consent of the Noteholders, subject as provided below) to such amendment, modification, supplement or waiver, subject as provided below (other than an amendment, modification, supplement or waiver, pursuant to paragraphs (x), (xi) and (xii) 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, appoint a listing agent, a transfer agent or any other agent 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 Euronext Dublin or any other exchange and to amend the Trust Deed to reflect any amendments of any relevant authorities or such agents in respect thereof;

(vi) save as contemplated in Condition 14(d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;

(vii) to take any action advisable to reduce the risk that the Issuer will be treated as resident in the UK for UK tax purposes, as trading through a permanent establishment in the UK for UK tax purposes or as subject to VAT (in Ireland or elsewhere) in respect of any Collateral Management Fees or any Senior Class M Interest Amounts or any Subordinated Class M Interest Amounts;

(viii) 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;

(ix) to modify the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in ERISA or other applicable law or regulation (or the interpretation thereof) to enable the Issuer to rely upon any exemption from registration under the Securities Act or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required thereunder;

(x) to enter into any additional agreements not expressly prohibited by the Trust Deed or the Collateral Management Agreement (as applicable) as well as any amendment, modification or waiver of such additional agreements if the Trustee determines that such entry, amendment, modification or waiver would not, upon becoming effective, be materially prejudicial to the interests of the Noteholders of any Class, in each case provided that any such additional agreements include customary limited recourse and non-petition provisions;

(xi) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management 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 and, in the case of a modification of the Collateral Management Agreement, subject to the consent in writing of the Collateral Manager;

(xii) to make any other modification (save as otherwise provided in the Trust Deed, the Collateral Management Agreement or the relevant Transaction Document), 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 the Collateral Management Agreement, subject to the consent in writing of the Collateral Manager;

(xiii) to amend the name of the Issuer;

(xiv) to make any amendments to the Trust Deed or any other Transaction Document to enable the Issuer to comply with FATCA or CRS (or any other similar regime for the reporting and automatic exchange of information);

(xv) notwithstanding paragraph (xxix) below and other than updates to, or switches of, the Fitch Test Matrices, the S&P Test Matrix or the S&P CDO Monitor BDR or the S&P CDO Monitor SDR as advised by Fitch or S&P (as applicable) and notified by the Collateral Manager to the Collateral Administrator (which may be by way of email) (which updates or switches shall not require prior consent from the Noteholders or the Trustee), to modify or amend any components of: (i) the Fitch Test Matrices; or (ii) the S&P Test Matrix, the S&P CDO Monitor BDR or the S&P CDO Monitor SDR, subject to confirmation from the applicable Rating Agency that the proposed modification or amendment will not affect the current rating of the Notes (which may be provided by way of email);

(xvi) to make any changes necessary to permit any additional issuances of Notes or to issue replacement notes in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*);

(xvii) notwithstanding paragraph (xxix) below, to (i) evidence any waiver or modification by any Rating Agency in its rating methodology or as to any requirement or condition, as applicable, of such Rating Agency set forth in the Transaction Documents (including, without limitation, recovery rates applicable to Collateral Debt Obligations) subject to receipt of confirmation from the Rating Agency to which such waiver, modification, requirement or condition relates that the proposed waiver, modification, requirement or condition will not affect the current rating of the Notes (which may be provided by way of email from the relevant Rating Agency) or (ii) otherwise conform any Transaction Document to the Offering Circular;

(xviii) to modify the Transaction Documents in order to comply with Rule 17g-5 or Rule 17g-10;

(xix) to make such changes as shall be necessary to facilitate the Issuer to effect a Refinancing in part in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*);

(xx) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management Agreement or any other Transaction Document to comply with changes in the EU Retention and Transparency Requirements or corresponding retention, due diligence and/or reporting requirements under the UCITS Directive or to make modifications as a result of the implementation of the implementing technical standards relating thereto or any subsequent risk retention legislation or official guidance;

(xxi) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management Agreement or any other Transaction Document to comply with the CRA, the Securitisation Regulation, or which result from the implementation of the implementing technical standards and official guidance relating thereto;

(xxii) to modify the terms of the Transaction Documents (including but not limited to any Hedge Agreements) and/or the Conditions in order to enable the Issuer to comply with any requirements of the CFTC or in relation to the Dodd-Frank Act, subject to receipt by the Trustee of a certificate of the Issuer certifying to the Trustee (upon which certification the Trustee shall be entitled to rely on without further enquiry and without liability) that the requested amendments are to be made solely for the purpose of enabling the Issuer to comply with CFTC requirements or the Dodd-Frank Act;

(xxiii) to modify the terms of the Transaction Documents (including but not limited to any Hedge Agreement) and/or the Conditions in order to enable the Issuer to comply with any requirements in respect of EMIR, subject to receipt by the Trustee of a certificate of the Issuer certifying to the Trustee (upon which certification the Trustee shall be entitled to rely on without further enquiry and without liability) that the requested amendments are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EMIR;

(xxiv) to modify the terms of the Transaction Documents (including but not limited to any Hedge Agreement) and/or the Conditions in order to enable the Issuer to comply with any requirements in respect of AIFMD, subject to receipt by the Trustee of a certificate of the Issuer certifying to the Trustee (upon which certification the Trustee shall be entitled to rely on without further enquiry and without liability) that the requested amendments are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under AIFMD;

(xxv) to modify the terms of any Hedge Agreements in order to enable the Issuer and/or a Hedge Counterparty to comply with any regulatory requirements applicable to it which come into force after the Issue Date;

(xxvi) to make any changes necessary to prevent the Issuer from becoming an investment company or being required to register as an investment company under the Investment Company Act;

(xxvii) to make any modification or amendment determined by the Issuer, as advised by the Collateral Manager (in consultation with legal counsel experienced in such matters), as necessary or advisable for any Class of Rated Notes to not be considered an "ownership interest" as defined for the purposes of section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder, *provided* that such modification or amendment would not, in the opinion of the Issuer, be materially prejudicial to the interests of the Noteholders of any Class;

(xxviii) notwithstanding any other provisions of this Condition 14(c) (*Modification and Waiver*), if S&P, Fitch or Moody's (as applicable) publicly announce a change in the S&P Recovery Rates, Fitch Recovery Rates or Moody's recovery rates (as applicable), to amend or modify such recovery rates or rating factors in the Transaction Documents to reflect such changes announced by the relevant Rating Agency;

(xxix) subject to paragraph (xv) and paragraph (xvii) above and subject to Rating Agency Confirmation, the consent of the Controlling Class acting by Ordinary Resolution and the consent in writing of the Retention Holder, to make any modifications to the Collateral Quality Tests (other than the Weighted Average Life Test), Portfolio Profile Tests, Reinvestment Criteria or Eligibility Criteria and all related definitions;

(xxx) 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;

(xxxi) 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;

(xxxii) 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;

(xxxiii) to amend, modify or otherwise accommodate changes to any Transaction Document relating to the administrative procedures for reaffirmation of ratings on the Notes as required by the rating criteria of the Rating Agencies;

(xxxiv) to accommodate the settlement of the Notes in book entry form through the facilities of Euroclear and/or Clearstream, Luxembourg or otherwise;

(xxxv) to reduce the permitted Minimum Denomination of the Notes, *provided* that any such reduction in Minimum Denomination shall not adversely affect the Issuer (in respect of any legal or regulatory requirement or tax treatment of the Issuer);

(xxxvi) to change the date within the month on which Reports are required to be delivered;

(xxxvii) to evidence the succession of another person to the Issuer and the assumption by any such successor of the covenants of the Issuer in the Transaction Documents and in the Notes, *provided* that any such successor shall not itself have a worse position than the Issuer in respect of any tax, legal or regulatory requirement or tax treatment;

(xxxviii) to conform the provisions of the Trust Deed or any other Transaction Document or other document delivered in connection with the Notes to the Offering Circular;

(xxxix) to make such modifications to the provisions of the Collateral Management Agreement and the Conditions as the Collateral Manager and/or the Collateral Administrator have advised the Trustee

(upon which advice the Trustee shall be entitled to rely absolutely and without further enquiry or liability) are necessary in order to calculate the amounts due on any Unscheduled Payment Date directed under Condition 3(l) (*Unscheduled Payment Dates*);

(xl) to amend, eliminate or supplement Schedule 25 (*U.S. Tax Procedures Additional Tax Considerations (Operating Guidelines)*) of the Collateral Management Agreement, provided the Issuer, the Collateral Manager and the Trustee have received an opinion of tax counsel of nationally recognised standing in the United States, experienced in such matters that the Collateral Manager's compliance with such amended provisions or supplemental provisions or failure to comply with such provisions proposed to be eliminated, as the case may be, will not cause the Issuer to be engaged, or deemed to be engaged, in a trade or business within the United States for United States federal income tax purposes or otherwise to be subject to United States federal income tax on a net basis;

(xli) subject to Rating Agency Confirmation, to modify the Weighted Average Life Test definition by amending the date contained therein to extend such date by (x) 15 months or less with the consent of the Controlling Class acting by Ordinary Resolution and/or (y)(A) more than 15 months or (B) following any modification to the Weighted Average Life Test under limb (x) above, with the consent of the Controlling Class and, for so long as any Class C Notes remain Outstanding, the consent of the Class C Noteholders, in each case acting by Ordinary Resolution; and

(xlii) to enter into one or more supplemental trust deeds or make any other amendment, modification, authorisation or waiver of the provisions of the Transaction Documents upon terms satisfactory to the Collateral Manager (save in respect of any such modification, authorisation or waiver to the provisions of a Hedge Agreement which shall be made only in accordance with the terms as set out therein) to:

(A) change the reference rate (including any modifier thereto) in respect of the Floating Rate Notes from EURIBOR to an Alternative Base Rate (such rate subject always to a floor of zero);

(B) to replace references to "LIBOR", "EURIBOR", "London Interbank Offered Rate" and "Euro Interbank Offered Rate" (or similar terms) to the Alternative Base Rate when used with respect to a Floating Rate Collateral Debt Obligations (and maintaining, for the avoidance of doubt, the deeming of any reference to Alternative Base Rate in replacement of the reference to EURIBOR to also be zero for determining the floating rate of interest if such Alternative Base Rate in respect of a Class of Rated Notes would also yield a rate less than zero);

(C) in the case of any Hedge Agreement, amend, in accordance with its terms, the reference rate applicable to any Hedge Transaction thereunder and make any other consequential changes (including, without limitation, to allow for the operation of any fallbacks contained in such Hedge Agreement relating to the discontinuance, cessation, disruption or change in methodology of such rate and, accordingly, make any adjustment payment or spread adjustment);

(D) amend provisions which reference an index that has an equivalent frequency and setting date to the index applicable to a Floating Rate Collateral Debt Obligation to the extent that no such equivalent is available; and

(E) to make such other amendments as are necessary or advisable in the reasonable judgement of the Collateral Manager to facilitate the foregoing changes,

provided that:

(1) the Controlling Class and the Subordinated Noteholders (each acting by Ordinary Resolution) consent to such supplemental trust deed or other modification, authorisation or waiver (excluding any modification, authorisation or waiver in respect of a Hedge Agreement made in respect of sub-paragraph (C) only; *provided* that if the Issuer requests such consent from the Controlling Class and the Subordinated Noteholders, any Noteholder of each such Class who does not object to such request within 15 Business Days from the day such request is sent by the Issuer pursuant to Condition 16 (*Notices*) shall be deemed to have consented to the change to a base rate other than an Alternative Base Rate (together

with a Reference Rate Modifier and such other changes required in connection with such selection of such base rate); and

(2) such amendment, modification, authorisation or waiver is being undertaken due to the occurrence of one of the following, determined by the Collateral Manager in its sole discretion (save in the case of any amendment, modification, waiver of authorisation made under (C) above, which shall be determined in accordance with the terms of the relevant Hedge Agreement):

(a) a material disruption to LIBOR, EURIBOR or another applicable or related index or benchmark;

(b) a change in the methodology of calculating LIBOR, EURIBOR or another applicable or related index or benchmark;

(c) LIBOR, EURIBOR or another applicable or related index or benchmark ceasing to exist; or

(d) an event occurs in respect of the relevant index or benchmark which means the parties will no longer be permitted under any applicable law or regulation to use such index or benchmark to perform an obligation under the relevant Transaction Document;

(e) the reasonable expectation of the Collateral Manager (or any Hedge Counterparty for amendments in respect of sub-paragraph (C) above only) that any of the events specified in paragraphs (a), (b), (c) or (d) above will occur; or

(f) at least 50 per cent. (by par amount) of (x) the quarterly pay Floating Rate Collateral Debt Obligations issued in the preceding one month relying on reference or base rates other than LIBOR or EURIBOR, (y) the quarterly paying Floating Rate Collateral Debt Obligations included in the Portfolio rely on reference or base rates other than LIBOR or EURIBOR or (z) floating rate notes issued in the preceding three months in the Euro-denominated CLO transactions rely on a reference rate other than EURIBOR.

(3) any such amendment, modification, authorisation or waiver does not affect the applicability of any floor in respect of the relevant reference rate of any Class of Notes (including, without limitation, the zero floor described in Condition 6(e)(i) (*Floating Rate of Interest*); and

(4) in making any determination or proposal or exercising its discretion pursuant to this paragraph (xlii) (*Modification and Waiver*), the Collateral Manager's judgment shall not be called into question, including as a result of subsequent events, and no liability shall attach to the Collateral Manager in connection therewith unless its actions constitute a Collateral Manager Breach.

Any such modification, authorisation or waiver shall be binding on the Noteholders and shall be notified by the Issuer as soon as reasonably practicable following the execution of any trust deed supplemental to the Trust Deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

(A) so long as any of the Notes rated by the Rating Agencies remain Outstanding, the Rating Agencies; 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 have a material adverse effect on the rights or obligations of a Hedge Counterparty without the Hedge Counterparty's prior written consent, *provided* that no Hedge Counterparty consent will be required for modifications or waivers explicitly excluded from the requirement of Hedge Counterparty consent pursuant to the terms of the relevant Hedge Agreement or for an update to, or switch of, the Fitch Test Matrices or , the S&P Test Matrix, the S&P CDO Monitor BDR or the S&P CDO Monitor SDR as

advised by Fitch or S&P (as applicable) and notified by the Collateral Manager to the Collateral Administrator (which may be provided by way of email).

To the extent required pursuant to a Hedge Agreement, the Issuer shall notify each Hedge Counterparty of any proposed amendment to any provisions of the Transaction Documents and, with the exception of modifications and waivers explicitly excluded from the requirement for Hedge Counterparty consent pursuant to the terms of the relevant Hedge Agreement, seek the consent of such Hedge Counterparty in respect thereof, in each case subject to the terms of the relevant Hedge Agreement. For the avoidance of doubt, such notice shall only be given and such consent shall only be sought to the extent required above or in accordance with and subject to the terms of the relevant Hedge Agreement provided that no Hedge Counterparty consent will be required for modifications and waivers explicitly excluded from the requirement for Hedge Counterparty consent pursuant to the terms of the relevant Hedge Agreement. If a Hedge Agreement allows a certain period for the relevant Hedge Counterparty to consider and respond to such a consent request, during such period and pending a response from the relevant Hedge Counterparty, the Issuer shall not make any such proposed amendment (*provided* that, if no Hedge Transaction is outstanding with the relevant Hedge Counterparty, without prejudice to the Issuer's obligations to notify the relevant Hedge Counterparty of any such proposed amendment, the Issuer may proceed to make any such proposed amendment regardless of any provisions requiring consent of the Hedge Counterparty to amendments under the relevant Hedge Agreement). For the avoidance of doubt, the Issuer may make such proposed amendment if any timeframe specified in the relevant Hedge Agreement for such Hedge Counterparty to provide their consent to the relevant proposed amendment has lapsed.

For the avoidance of doubt, and subject to the right of veto of the Retention Holder referred to in Condition 14(b)(x) (*Retention Holder Veto*), the Trustee shall, subject to the following paragraph, without the consent or sanction of any of the Noteholders or any other Secured Party (unless otherwise specified above), concur with the Issuer, in making any modification, amendment, waiver or supplement pursuant to the paragraphs above (save for modifications, amendments, waivers or supplements in accordance with paragraphs (x), (xi) and (xii) above) to the Transaction Documents which the Issuer (or the Collateral Manager on behalf of the Issuer) certifies to the Trustee is required pursuant to the paragraphs above (other than paragraphs (x), (xi) and (xii)) (upon which certification the Trustee shall be entitled to rely on without further enquiry and without liability) *provided* that the Trustee shall not be obliged to agree to any modification 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 prefunded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, authorisations, discretions, indemnities or protections, of the Trustee in respect of the Transaction Documents.

In the case of a modification, amendment, waiver or supplement pursuant to paragraph (x), (xi) and (xii) above, the Trustee may impose such conditions as it sees fit and provided that the Trustee shall not be required to give its consent in relation to paragraphs (x), (xi) and (xii) on less than 21 days' notice and 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 as it sees fit.

For the avoidance of doubt, the right of the Collateral Manager in the Collateral Management Agreement to choose which case is applicable for the purposes of the S&P CDO Monitor Test, Fitch Minimum Weighted Average Spread Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Maximum Obligor Concentration Test, the Fitch Minimum Weighted Average Fixed Coupon Test, the Weighted Average Life Test and the Fitch Maximum Weighted Average Rating Factor Test in each case by reference to the S&P Test Matrix or the Fitch Test Matrices (as applicable), will not constitute a modification or an amendment of a component to the S&P Test Matrices or the Fitch Test Matrices (as applicable) for the purposes of Condition 14(c)(xv) (*Modification and Waiver*).

(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 Agencies 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 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 Euronext Dublin, any material amendments or modifications to the Conditions of the Notes, the Trust Deed or such other conditions made pursuant to this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to Euronext Dublin.

(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*).

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 accountholders with entitlements to each Global Certificate and may consider such interests as if such accountholders were the holders of any Global Certificate.

The Trust Deed provides that in the event of any conflict of interest between or among the holders of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class M 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 B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class M Noteholders and the Subordinated Noteholders, (ii) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class M Noteholders and the Subordinated Noteholders, (iii) the Class D Noteholders over the Class E Noteholders, the Class M Noteholders and the Subordinated Noteholders, (iv) the Class E Noteholders over the Class M Noteholders and the Subordinated Noteholders, and (v) the Class M 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 aggregate principal amount of Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class given priority as described in this paragraph) in such circumstances 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.

In addition, the Trust Deed provides that, so long as any Note is Outstanding, the Trustee shall have no regard to the interests of any Secured Party other than the Noteholders or, at any time, to the interests of any other person.

15. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless indemnified and/or secured and/or 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 or reduction of value 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 Agreement or for the performance by the Collateral Manager of any of its duties under the Collateral Management Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Management 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 prepaid, 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 Euronext Dublin and the rules of Euronext Dublin so require) shall be sent to the Company Announcements Office of Euronext Dublin or such other process as Euronext Dublin may require. 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.

Notwithstanding the above, so long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders shall be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for delivery thereof as required by the Conditions of such Notes provided that such notice is also made to the Company Announcements Office of Euronext Dublin for so long as such Notes are listed on the Global Exchange Market of Euronext Dublin and the rules of Euronext Dublin so require. Such notice will be deemed to have been given to the Noteholders on the date of delivery of the relevant notice to the relevant clearing system.

17. ADDITIONAL ISSUANCES

(a) The Issuer may from time to time, subject to, as applicable, (1) the approval of the Subordinated Noteholders acting by Ordinary Resolution, (2) the separate approval of the Retention Holder and (3) in respect of additional issuances of Rated Notes, the approval of the Controlling Class acting by Ordinary Resolution, create and issue further Notes (other than the Class M Notes and the Class X 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 Debt 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 Debt Obligations, *provided* that the following conditions are met:

(i) such additional issuances in relation to the applicable Class of Notes may not exceed 100 per cent. in the aggregate of the original aggregate principal amount of such Class of Notes;

(ii) such additional Notes must be issued for a cash sale price and the net proceeds applied, *firstly*, to pay any costs or expenses arising out of or in connection with the issuance of such additional Notes and, thereafter, invested in Collateral Debt 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) such additional Notes must be of each Class of Notes (other than the Class M Notes and the Class X Notes) and issued in a proportionate amount among the Classes (for such purpose, excluding the Class M Notes and the Class X Notes) so that the relative proportions of aggregate principal amount of the Classes of Notes (for such purpose, excluding the Class M Notes and the Class X Notes) existing immediately prior to such additional issuance remain unchanged immediately following such additional issuance (save with respect to Subordinated Notes as described in paragraph (b) below);

(iv) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Notes must be identical to the terms of the previously issued Notes of the applicable Class of Notes;

(v) Rating Agency Confirmation has been obtained;

(vi) the Coverage Tests are satisfied or, if not satisfied, the Coverage Tests will be maintained or improved after giving effect to such additional issuance of Notes;

(vii) the holders of the relevant Class of Notes in respect of which further Notes are issued shall have been notified in writing by the Issuer 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance (the "**Anti-Dilution Percentage**") of such additional Notes and on the same terms offered to investors generally; *provided* that this paragraph (vii) shall not apply to any additional issuance of Subordinated Notes if such issuance is required in order to prevent or cure a Retention Deficiency for any reason including, but not limited to, where such Retention Deficiency will occur due to an additional issuance of any Class of Notes;

(viii) so long as the existing Notes of the Class of Notes to be issued are listed on the Global Exchange Market of Euronext Dublin, the additional Notes of such Class to be issued are in accordance with the requirements of Euronext Dublin and are listed on the Global Exchange Market of Euronext Dublin (for so long as the rules of Euronext Dublin so requires);

(ix) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer;

(x) the Issuer and the Trustee will have received advice of tax counsel of nationally recognised standing in the United States experienced in such matters to the effect that any additional Class A Notes, Class B Notes, Class C Notes and Class D Notes will be treated, and any additional Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes, provided, however, that the advice of tax counsel described in this clause (x) will not be required with respect to any additional Notes that bear a different ISIN (or equivalent identifier) from the Notes of the same Class that were issued on the Issue Date and are Outstanding at the time of the additional issuance; and

(xi) to the extent such additional issuance would otherwise cause a Retention Deficiency, the Issuer shall concurrently issue, and the Retention Holder shall purchase and hold on the same terms as the Risk Retention Letter, sufficient additional Subordinated Notes such that, after giving effect to the additional issuance and after the receipt by the Issuer of the proceeds thereof into the Unused Proceeds Account or the Principal Account (as applicable), the Retention Holder shall hold

Subordinated Notes with a Principal Amount Outstanding sufficient to ensure that a Retention Deficiency shall not occur following such additional issuance.

(b) In addition to the ability to issue further Notes of each Class simultaneously, the Issuer may from time to time issue and sell additional Subordinated Notes, subject to the approval of the Subordinated Noteholders acting by Ordinary Resolution (other than in the case of an issuance of Subordinated Notes required in order to cure or prevent a Retention Deficiency) and subject to the separate prior written approval of the Retention Holder but without issuing Notes of any other Class, *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 sale price and the net proceeds to be applied, *firstly*, to pay any costs or expenses arising out of or in connection with the issuance of such additional Notes and, thereafter, to be credited to the Supplemental Reserve Account and applied towards the Permitted Uses;

(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 by the Issuer 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; *provided* that this sub-paragraph (v) shall not apply if such issuance is required in order to prevent or cure a Retention Deficiency for any reason including, but not limited to, where such Retention Deficiency will occur due to an additional issuance of any Class of Notes;

(vi) such additional issuance is in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer; and

(vii) to the extent such additional issuance would otherwise cause a Retention Deficiency, the Issuer shall concurrently issue, and the Retention Holder shall purchase and hold on the same terms as the Risk Retention Letter, sufficient additional Subordinated Notes such that, after giving effect to the additional issuance and after the receipt by the Issuer of the proceeds thereof into the Unused Proceeds Account or the Principal Account (as applicable), the Retention Holder shall hold Subordinated Notes with a Principal Amount Outstanding sufficient to ensure that a Retention Deficiency shall not occur following such additional issuance.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any other notes 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. Any costs or expenses arising out of or in connection with an issuance of additional Notes pursuant to this Condition 17 (*Additional Issuances*) shall be borne by the Issuer and paid out of the proceeds of issuance of the relevant additional Notes.

18. THIRD PARTY RIGHTS

No person shall have any right to enforce any term or Condition of the Notes under the Contracts (*Rights of Third Parties*) Act 1999.

19. GOVERNING LAW

(a) *Governing Law*

The Trust Deed and each Class of Notes and any dispute, controversy, proceedings or claim of whatever nature (whether contractual or non-contractual) arising out of or in any way relating to the Trust Deed or

any Class of Notes are governed by and shall be construed in accordance with English law. The Corporate Services Agreement is governed by and shall be construed in accordance with Irish law.

(b) *Jurisdiction*

The courts of England are to have exclusive jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Notes, and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Agent for Service of Process*

The Issuer appoints TMF Global Services (UK) Limited (having an office, at the date hereof, at 8th Floor, 20 Farringdon Street, London, EC4A 4AB, 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 €292,300,000. Such proceeds will be used by the Issuer for the repayment of any amounts borrowed by the Issuer (together with any interest thereon) and all other amounts due in order to finance the acquisition of warehoused Collateral Debt Obligations purchased by the Issuer prior to the Issue Date and to fund the First Period Reserve Account on the Issue Date. The remaining proceeds shall be deposited into the Unused Proceeds Account.

FORM OF THE NOTES

The following description of the Notes does not purport to be complete and is qualified by reference to the detailed provisions of such Notes. Capitalised terms used in this section and not defined in this Offering Circular shall have the meaning given to them in the Conditions.

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 described below, the Class E Notes, and the Subordinated Notes) 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 (as defined in Regulation S), 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 (as defined in Regulation S) 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 Note. See "*Transfer Restrictions*".

The Rule 144A Notes of each Class (other than, in certain circumstances, the Class E Notes and the Subordinated Notes) will be represented on issue by a Rule 144A 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 Rule 144A Global Certificate may only be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, among 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 Regulation S and 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 a 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 a 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 (as defined in Regulation S) 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 Trustee 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.

Each initial investor and each transferee of a Class E Note, Class M Note or a Subordinated Note either (a) shall be deemed to represent (among other things) that it is not and is not acting on behalf of (and for so long as it holds such Note or interest therein will not be, and will not be acting on behalf of) a Benefit Plan Investor or a Controlling Person or (b) may not acquire such Class E Note, Class M Note or Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee: (i) (other than in the case of the Retention Notes) obtains the written consent of the Issuer; and (ii) provides an ERISA certificate to the Issuer and the Transfer Agent as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex A – Part 1 (*Form of ERISA Certificate*)). Any transferor of a Class E Note, Class M Note or Subordinated Note that is a Benefit Plan Investor agrees that, upon any such transfer it shall provide a certificate substantially in the form of Annex A – Part 2 (*Form of ERISA Transfer Certificate*) to the Issuer and the Transfer Agent notifying whether or not the transferee thereof is a Benefit Plan Investor. No proposed transfer of Class E Notes, Class M Notes or Subordinated Notes (or interests therein) will be permitted or recognised if a transfer to a transferee will cause 25 per cent. or more of the total value of the Class E Notes, Class M Notes or Subordinated Notes (determined separately by class) to be held by Benefit Plan Investors, disregarding Class E Notes, Class M Notes or Subordinated Notes (or interests therein) held by Controlling Persons.

The Issuer shall treat such Class E Note, a Class M Note or a Subordinated Note (or interest therein) as being held by a Benefit Plan Investor until such time, if any, as such Benefit Plan Investor transfers such Class E Note, a Class M Note or a Subordinated Note (or interest therein) (as applicable) and certifies to the Issuer, Collateral Manager, and the Transfer Agent that the transferee thereof is not a Benefit Plan Investor.

The Notes are not issuable in bearer form.

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 or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Notes.

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 any 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 relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Certificates and (b) in the case of the Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule

144A. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*" below.

Legends

The holder of a Definitive Certificate in registered definitive form, 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 any Transfer Agent, together with the completed form of transfer and, to the extent applicable, written consent of the Issuer and a duly completed ERISA certificate substantially in the form of Annex A – Part 1 (*Form of ERISA Certificate*) to a Transfer Agent and the Issuer. Any transferor of a Class E Note, Class M Note or Subordinated Note that is a Benefit Plan Investor agrees that, upon any such transfer it shall provide a certificate substantially in the form of Annex A – Part 2 (*Form of ERISA Transfer Certificate*) to the Issuer and the Transfer Agent notifying whether or not the transferee thereof is a Benefit Plan Investor. Upon the transfer, exchange or replacement of a Definitive Certificate 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 Definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

BOOK ENTRY CLEARANCE PROCEDURES

The Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by the third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Collateral Manager, the Sole Arranger, the Initial Purchaser or any Agent party to the Agency Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act) will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading (See "*Settlement and Transfer of Notes*" below).

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

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, and deposited with, a nominee of the common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholder's 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.

Initial settlement for the Notes will be in Euro, following the settlement procedures applicable to conventional eurobonds, which provide that the Notes will be credited to the securities custody accounts of Euroclear or Clearstream, Luxembourg Participants on the Business Day following the settlement date against payment for value on the settlement date.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

RATINGS OF THE NOTES

General

It is a condition of the issue and sale of the Notes that the Rated Notes be issued with at least the following ratings: the Class X Notes and the Class A Notes: "AAAsf" from Fitch and "AAA (sf)" from S&P; the Class B-1 Notes and the Class B-2 Notes: "AAsf" from Fitch and "AA (sf)" from S&P; the Class C Notes: "Asf" from Fitch and "A (sf)" from S&P; the Class D Notes: "BBB-sf" from Fitch and "BBB (sf)" from S&P and the Class E Notes: "BB-sf" from Fitch and "BB- (sf)" from S&P. The Class M Notes and the Subordinated Notes being offered hereby will not be rated.

The ratings assigned to the Class X Notes, the Class A Notes and the Class B Notes by S&P and Fitch address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class C Notes, the Class D Notes and the Class E Notes by S&P and Fitch 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.

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 Debt Obligations and the various eligibility requirements that the Collateral Debt Obligations are required to satisfy.

Fitch analyses the likelihood that each Collateral Debt 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's ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Collateral Debt Obligations will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not defer 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.

S&P Ratings

S&P will rate the Rated Notes in a manner similar to the manner in which it rates other structured issues. This requires an analysis of the following:

(a) the credit quality of the portfolio of Collateral Debt Obligations securing the Notes;

(b) the cash flow used to pay liabilities and the priorities of these payments; and

(c) legal considerations.

Based on these analyses, S&P determines the necessary level of credit enhancement needed to achieve a desired rating. In this connection, the S&P CDO Monitor Test is applied from the period beginning as of the Effective Date and ending on the expiry of the Reinvestment Period.

S&P's analysis includes the application of its proprietary default expectation computer model (the "**S&P CDO Monitor**") which is used to estimate the default rate S&P projects the Portfolio is likely to experience and which will be provided to the Collateral Manager on or before the Issue Date. The S&P CDO Monitor calculates the

cumulative default rate of a pool of Collateral Debt Obligations and Eligible Investments consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. The S&P CDO Monitor takes into consideration the rating of each Obligor, the number of Obligors, the Obligor industry concentration and the remaining weighted average maturity of each of the Collateral Debt Obligations included in the Portfolio. The risks posed by these variables are accounted for by effectively adjusting the necessary default level needed to achieve a desired rating. The higher the desired rating, the higher the level of defaults the Portfolio must withstand. For example, the higher the Obligor industry concentration or the longer the weighted average maturity, the higher the default level is assumed to be.

Credit enhancement to support a particular rating is then provided on the results of the S&P CDO Monitor, as well as other more qualitative considerations such as legal issues and management capabilities. Credit enhancement is typically provided by a combination of over collateralisation/subordination, cash collateral/reserve account, excess spread/interest and amortisation. A cash flow model (the "**Transaction Specific Cash Flow Model**") is used to evaluate the portfolio and determine whether it can comfortably withstand the estimated level of default while fully repaying the class of debt under consideration.

There can be no assurance that actual losses on the Collateral Debt Obligations will not exceed those assumed in the application of the S&P CDO Monitor or that recovery rates and the timing of recovery with respect thereto will not differ from those assumed in the Transaction Specific Cash Flow Model. None of S&P, the Issuer, the Collateral Manager, the Collateral Administrator, the Trustee, or the Retention Holder, makes any representation as to the expected rate of defaults on the Portfolio or as to the expected timing of any defaults that may occur.

S&P's Ratings of the Rated Notes will be established under various assumptions and scenario analyses. There can be no assurance that actual defaults on the Collateral Debt Obligations will not exceed those assumed by S&P in its analysis, or that recovery rates with respect thereto (and, consequently, loss rates) will not differ from those assumed by S&P.

As at 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.

THE ISSUER

General

The Issuer is a special purpose vehicle established for the purpose of issuing asset-backed securities and was incorporated in Ireland as a private limited liability company on 25 July 2019 under the Companies Act 2014 (as amended) (the "**Companies Act**") with the name of Arbour CLO Funding Designated Activity Company and with company registration number 654157 and having its registered office at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland. The company name was changed to Arbour CLO VIII Designated Activity Company by way of special resolution on 9 July 2020. The telephone number of the registered office of the Issuer is +353 1 614 6240 and the facsimile number is + 353 1 614 6250.

The authorised share capital of the Issuer is EUR100,000,000 divided into 100,000,000 ordinary shares of EUR1.00 each (the "**Shares**"). The Issuer has issued one Share, which is fully paid up and is held on trust by TMF Management (Ireland) Limited (as "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 11 September 2019, whereby the Share Trustee holds the Shares on trust for charitable purposes. The Share Trustee will have no beneficial interest in and will derive no benefit (other than its fees for acting as Share Trustee) from its holding of the Shares of the Issuer. The Share Trustee will apply any income derived from the Issuer solely for the above purposes.

Note

TMF Administration Services Limited (the "**Corporate Services Provider**"), an Irish company, acts as the corporate services provider for the Issuer. The office of the Corporate Services Provider serves as the general business office of the Issuer. Through the office and pursuant to the terms of the corporate services agreement entered into on 19 August 2019 between the Issuer and the Corporate Services Provider (the "**Corporate Services Provider**"), the Corporate Services Provider performs various management functions on behalf of the Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least two months' written notice to the other party.

The Corporate Services Provider's principal office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

Business

The principal objects of the Issuer are set forth in paragraph 3 of its constitution and include, *inter alia*, the power to issue securities and to raise or borrow money, to grant security over its assets for such purposes, to lend with or without security and to enter into derivative transactions. Cash flow derived from the Collateral securing the Notes will be the Issuer's only source of funds to fund payments in respect of such Notes.

So long as any of the Notes remain outstanding, the Issuer will be subject to the restrictions set out in the Conditions and in the Trust Deed. In particular, the Issuer has undertaken not to carry out any business other than the issue of the Notes and acquiring, holding and disposing of the Portfolio in accordance with the Conditions and the Collateral Management Agreement, entering into the Trust Deed, the Agency Agreement, the Collateral Management Agreement, the Corporate Services Agreement, the Warehouse Deed of Release, any Collateral Acquisition Agreements, the Subscription Agreement, any Hedge Agreements and any Reporting Agreement and exercising the rights and performing the obligations under each such agreement and all other transactions incidental thereto. The Issuer will not have any substantial liabilities other than in connection with the Notes and any secured obligations. The Issuer will not have any subsidiaries and, the Issuer will not accumulate any surpluses save in respect of the fees and expenses generated in connection with the issue of the Notes (referred to below), any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the proceeds of the Issuer's issued share capital.

The Issuer has, and will have, no material assets other than the Portfolio held from time to time, the Balances standing to the credit of the Accounts and the benefit of the Agency Agreement, the Collateral Management

Agreement, the Collateral Acquisition Agreements, any Hedge Agreements and any Reporting Agreement and any other Transaction Documents entered into by or on behalf of the Issuer from time to time, such fees (as agreed) payable to it in connection with the issue of the Notes, the sum of EUR 1,000 representing the proceeds of its issued and paid up share capital, any Issuer Fees and the remainder of the amounts standing to the credit of the Issuer Irish Account. The only assets of the Issuer available to meet claims of the holders of the Notes and the other Secured Parties are the assets comprised in the Collateral.

The Notes are obligations of the Issuer alone and are not the obligation of, or guaranteed in any way by, the Directors, the Company Secretary, the Trustee, the Agents, the Collateral Manager, any Hedge Counterparty or any Obligor under any part of the Portfolio.

Directors and Company Secretary

The Issuer's constitutional documents provide that the Board of Directors of the Issuer will consist of at least two Directors.

The Directors of the Issuer as at the date of this Offering Circular are Martin Carr and Stephen Healy. The business address of the Directors is 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

The Company Secretary is TMF Administration Services Limited of 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

Business Activity

Prior to the Issue Date, the Issuer entered into the Warehouse Arrangements in order to enable the Issuer to acquire certain Collateral Debt Obligations on or before the Issue Date (including Collateral Debt Obligations purchased from a fund in respect of which the Collateral Manager provides investment management services pursuant to a sale and participation deed). Amounts owing under the Warehouse Arrangements will be fully repaid together with accrued interest 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 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 and the other Transaction Documents, and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Portfolio.

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 transaction contemplated herein or matters incidental thereto.

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 Conditions of the Notes).

Financial Statements

Since its date of incorporation, save in connection with the Warehouse Arrangements and as described above, 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 financial statements in respect of the period ending on 31 December 2020. 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 Ernst and Young of Harcourt Centre, Harcourt St, Dublin 2, Ireland. Ernst and Young are chartered accountants and are members of the Institute of Chartered Accountants of Ireland and registered auditors qualified in practice in Ireland.

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 Sole Arranger, the Initial Purchaser or any other party. None of the Sole Arranger, the Initial Purchaser or any other party other than the Collateral Manager assumes any responsibility for the accuracy or completeness of such information. The duties and obligations of the Collateral Manager are solely those of Oaktree Capital Management (Europe) LLP, or any of its affiliated entities. The Notes and the Collateral do not represent interests in or obligations of, and are not insured or guaranteed by, Oaktree Capital Management (Europe) LLP or any affiliate thereof.

General

Oaktree Capital Management, L.P., a Delaware limited partnership (including its Affiliates, individually or collectively, as the context requires, "**Oaktree**") is a leading global investment management firm headquartered in Los Angeles, California, focused on less efficient markets and alternative investments

A number of Oaktree's senior executives and investment professionals have been investing together for the past 34 years. As of 31 March 2020, Oaktree (together with its affiliates) managed approximately $113.3 billion (including $27.1 billion attributable to Oaktree's 20% minority interest in DoubleLine Capital LP) in assets[1] in a wide range of investment strategies, including distressed debt, corporate debt (including mezzanine finance, high yield bonds and senior loans), control investing (including power related opportunities), convertible securities, real estate and listed equities. Oaktree is registered with the SEC as an investment adviser under the U.S. Investment Advisers Act of 1940.

Oaktree's Ownership

Oaktree's asset management business is indirectly controlled by Oaktree Capital Group, LLC ("**OCG**") and Atlas OCM Holdings LLC ("**Atlas OCM**"). As of 31 March 2020, approximately 61.3% of our business is owned by Brookfield and the remaining approximately 38.7% is owned by current and former Oaktree executives and employees. Brookfield's ownership interest in our business is held through OCG and Atlas OCM. The current and former Oaktree executives and employees hold their interests through a separate entity, Oaktree Capital Group Holdings, L.P. ("**OCGH**").

Global Presence

As a global investment management firm, Oaktree has an international presence. Since opening its first international office in Singapore in July 1998, Oaktree and its affiliates have expanded their presence to 19 cities worldwide, as of 31 March 2020.

Collateral Manager

Oaktree Capital Management (Europe) LLP is an Affiliate of Oaktree. Oaktree Capital Management (Europe) LLP was incorporated as a limited liability partnership under the laws of England and Wales on 15 May 2015 and is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Its registered office is located at Verde, 10 Bressenden Place, London SW1E 5DH, United Kingdom (telephone: (44) 207 201 4600). The Collateral Manager has been capitalised via a number of associated companies including pursuant to a significant investment made by Oaktree alongside certain third party investors. The Collateral Manager has entered into a services and advisory agreement with Oaktree Capital Management (UK) LLP (the "**Advisory Services Provider**") pursuant to which the Advisory Services Provider provides the Collateral Manager with certain services including with respect to certain middle- and back-office functions, trade support, investment advice and investment-related due diligence, *provided* that in all cases, the Advisory Services Provider shall not provide any services relating to investment management.

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[1] References to "assets under management" or "AUM" represent assets managed by Oaktree and a proportionate amount ($27.1 billion) of the AUM reported by DoubleLine Capital LP ("**Doubleline**"), in which Oaktree owns a 20% minority interest. Oaktree's methodology for calculating AUM includes (i) the net asset value (NAV) of assets managed directly by Oaktree, (ii) the leverage on which management fees are charged, (iii) undrawn capital that Oaktree is entitled to call from investors in Oaktree funds pursuant to their capital commitments, (iv) for collateralized loan obligation vehicles ("**CLOs**"), the aggregate par value of collateral assets and principal cash, (v) for publicly-traded business development companies ("**BDCs**"), gross assets (including assets acquired with leverage), net of cash, and (vi) Oaktree's *pro rata* portion (20%) of the AUM reported by DoubleLine. Oaktree's definition of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts that it manages and is not calculated pursuant to regulatory definitions.

The Senior Executives

The current senior executives of Oaktree are Howard Marks, Bruce Karsh, Jay Wintrob, John Frank and Sheldon Stone. The original founders formed Oaktree in April 1995 after having managed funds in the high yield bond, distressed debt, private equity and convertible securities areas of TCW for approximately ten years. The senior executives have led the investment of clients' funds in the consistent, risk-controlled manner called for by Oaktree's philosophy, generally resulting in an impressive track record, reduced risk and highly satisfied clients.

Investment Professionals

As of 31 March 2020, Oaktree had nearly 400 investment, legal and compliance professionals who are supported by nearly 650 administrative and marketing professionals. Oaktree specialists invest in less efficient markets and alternative investments, specifically concentrating their efforts in distressed debt, corporate debt (including mezzanine finance, high yield debt and senior loans), control investing (including power-related opportunities), convertible securities, real estate and listed equities, all of which capabilities complement and leverage off each other.

Oaktree's 13-person European CLO team consists of Madelaine Jones, Portfolio Manager, ten research analysts, one investment professional, and one trader. Furthermore, the European Senior Loan team is supported by one CLO structuring specialist and two European CLO analysts who are responsible for CLO reporting and portfolio analysis.

Oaktree Senior Management

Howard Marks, CFA
Co-Chairman

Since the formation of Oaktree in 1995, Mr. Marks has been responsible for ensuring the firm's adherence to its core investment philosophy; communicating closely with clients concerning products and strategies; and contributing his experience to big-picture decisions relating to investments and corporate direction. From 1985 until 1995, Mr. Marks led the groups at The TCW Group, Inc. that were responsible for investments in distressed debt, high yield bonds, and convertible securities. He was also Chief Investment Officer for Domestic Fixed Income at TCW. Previously, Mr. Marks was with Citicorp Investment Management for 16 years, where from 1978 to 1985 he was Vice President and senior portfolio manager in charge of convertible and high yield securities. Between 1969 and 1978, he was an equity research analyst and, subsequently, Citicorp's Director of Research. Mr. Marks holds a B.S.Ec. degree *cum laude* from the Wharton School of the University of Pennsylvania with a major in finance and an M.B.A. in accounting and marketing from the Booth School of Business of the University of Chicago, where he received the George Hay Brown Prize. He is a CFA® charterholder. Mr. Marks is a Trustee and Chairman of the Investment Committee at the Metropolitan Museum of Art. He is a member of the Investment Committee of the Royal Drawing School and is Professor of Practice at King's Business School (both in London). He serves on the Shanghai International Financial Advisory Council and the Advisory Board of Duke Kunshan University. He is an Emeritus Trustee of the University of Pennsylvania, where from 2000 to 2010 he chaired the Investment Board.

Bruce Karsh
Co-Chairman and Chief Investment Officer

Mr. Karsh is Oaktree's Co-Chairman and one of the firm's co-founders. He also is chief investment officer and serves as portfolio manager for Oaktree's Distressed Opportunities, Value Opportunities and Multi-Strategy Credit strategies. Prior to co-founding Oaktree, Mr. Karsh was a managing director of TCW Asset Management Company, and the portfolio manager of the Special Credits Funds from 1988 until 1995. Prior to joining TCW, Mr. Karsh worked as Assistant to the Chairman of SunAmerica, Inc. Prior to that, he was an attorney with the law firm of O'Melveny & Myers. Before working at O'Melveny & Myers, Mr. Karsh clerked for the Honorable Anthony M. Kennedy, then of the U.S. Court of Appeals for the Ninth Circuit and retired Associate Justice of the U.S. Supreme Court. Mr. Karsh holds an A.B. degree in economics *summa cum laude* from Duke University, where he was elected to Phi Beta Kappa. He went on to earn a J.D. from the University of Virginia School of Law, where he served as Notes Editor of the Virginia Law Review and was a member of the Order of the Coif. Mr. Karsh serves on the boards of a number of privately held companies. He is a member of the investment committee of the Broad Foundations. Mr. Karsh is Trustee Emeritus of Duke University, having served as Trustee from 2003 to 2015, and as Chairman of the Board of DUMAC, LLC, the entity that managed Duke's endowment, from 2005 to 2014.

Jay Wintrob
Chief Executive Officer

Mr. Wintrob is Oaktree's Chief Executive Officer and has served as a member of the Board of Directors since 2011. Prior to joining the firm as Chief Executive Officer, he was President and Chief Executive Officer of AIG Life and Retirement, the U.S.-based life and retirement services segment of American International Group, Inc., from 2009 to 2014. Following AIG's acquisition of SunAmerica in 1998, Mr. Wintrob was Vice Chairman and Chief Operating Officer of AIG Retirement Services, Inc. from 1998 to 2001, and President and Chief Executive Officer from 2001 to 2009. Mr. Wintrob began his career in financial services in 1987 as Assistant to the Chairman of SunAmerica Inc., and then went on to serve in several other executive positions, including President of SunAmerica Investments, Inc. overseeing the company's invested asset portfolio. Prior to joining SunAmerica, Mr. Wintrob was with the law firm of O'Melveny & Myers. He received his B.A. and J.D. from the University of California, Berkeley. Mr. Wintrob is a board member of several non-profit organizations, including The Broad Foundations, the Doheny Eye Institute, The Los Angeles Music Center, the Skirball Cultural Center and Cedars-Sinai Medical Center.

John Frank
Vice Chairman

Mr. Frank is Oaktree's Vice Chairman and works closely with Howard Marks, Bruce Karsh and Jay Wintrob in managing the firm. Mr. Frank joined in 2001 as General Counsel and was named Oaktree's Managing Principal in early 2006, a position which he held for about nine years. As Managing Principal, Mr. Frank was the firm's principal executive officer and responsible for all aspects of the firm's management. Prior to joining Oaktree, Mr. Frank was a partner of the Los Angeles law firm of Munger, Tolles & Olson LLP, where he managed a number of notable merger and acquisition transactions. While at that firm, he served as primary outside counsel to public- and privately- held corporations; and as special counsel to various boards of directors and special board committees. Prior to joining Munger Tolles in 1984, Mr. Frank served as a law clerk to the Honorable Frank M. Coffin of the United States Court of Appeals for the First Circuit. Prior to attending law school, Mr. Frank served as a Legislative Assistant to the Honorable Robert F. Drinan, Member of Congress. Mr. Frank holds a B.A. degree with honors in history from Wesleyan University and a J.D. *magna cum laude* from the University of Michigan Law School, where he was Managing Editor of the *Michigan Law Review* and a member of the Order of the Coif. He is a member of the State Bar of California and, while in private practice, was listed in Woodward & White's *Best Lawyers* in America. Mr. Frank is a member of the Board of Directors of Chevron Corporation and a Trustee of Wesleyan University, The James Irvine Foundation, Good Samaritan Hospital of Los Angeles and the XPRIZE Foundation.

Armen Panossian
Head of Performing Credit and Portfolio Manager

Mr. Panossian is a managing director and Oaktree's Head of Performing Credit, as well as portfolio manager for Oaktree's Strategic Credit strategy. His responsibilities include oversight of the firm's performing credit activities including the senior loan, high yield bond, convertibles, structured credit, emerging markets debt, mezzanine and direct-lending strategies. Mr. Panossian joined Oaktree in 2007 as a senior member of its Distressed Debt investment team. In January 2014, he joined the U.S. Senior Loan team to assume co-portfolio management responsibilities and lead the development of Oaktree's CLO business. Mr. Panossian joined Oaktree from Pequot Capital Management, where he worked on their distressed debt strategy. Mr. Panossian received a B.A. degree in economics with honors and distinction from Stanford University, where he was elected to Phi Beta Kappa. Mr. Panossian then went on to receive an M.S. degree in health services research from Stanford Medical School and J.D. and M.B.A. degrees from Harvard Law School and Harvard Business School. Mr. Panossian serves on the Advisory Board of the Stanford Institute for Economic Policy Research. He is a member of the State Bar of California.

Todd Molz
General Counsel and Chief Administrative Officer

Mr. Molz serves as Oaktree's General Counsel and Chief Administrative Officer. He oversees the Compliance, Internal Audit and Administration functions and all aspects of our legal activities, including fund formation, acquisitions and other special projects. Prior to joining the firm on 2006, Mr. Molz was a partner of the Los Angeles law firm of Munger, Tolles & Olson LLP, where his practice focused on tax and structuring aspects of complex and novel business transactions. Prior to joining Munger Tolles, Mr. Molz served as a law clerk to the Honorable Alfred T. Goodwin of the United States Court of Appeals for the Ninth Circuit. Mr. Molz received a

B.A. degree in political science *cum laude* from Middlebury College and a J.D. degree with honors from the University of Chicago. While at Chicago, Mr. Molz served on the Law Review, received the John M. Olin Student Fellowship and was a member of the Order of the Coif. Mr. Molz serves on the Board of Directors of the Children's Hospital of Los Angeles.

Dan Levin
Managing Director and Chief Financial Officer

Mr. Levin is the Chief Financial Officer for Oaktree. He was previously Head of Corporate Finance and Chief Product Officer and a senior member of the corporate development group. Prior to joining Oaktree in 2011, Mr. Levin was a vice president in the Investment Banking division at Goldman, Sachs & Co., focusing on asset management firms and other financial institutions. His previous experience includes capital raising and mergers and acquisitions roles at Technoserve and Robertson Stephens, Inc. Mr. Levin received an M.B.A. with honors in finance from the Wharton School of the University of Pennsylvania and a B.A. degree with honors in economics and mathematics from Columbia University.

Rodney Vencatachellum
Managing Director and Chief Compliance Officer

Mr. Vencatachellum is a managing director and the Chief Compliance Officer at Oaktree. He manages over 30 compliance professionals in the United States, Europe and Asia, and is an active member of various corporate governance committees of the firm. Mr. Vencatachellum joined Oaktree in 2011 and has over 20 years of compliance experience at a number of financial institutions, primarily in senior or executive compliance roles. Previously, he was at Goldman Sachs International as an Executive Director in the Securities Division Compliance group with responsibility for coverage of the Institutional Equity Sales and Trading business. Prior thereto, Mr. Vencatachellum was at KBC Financial Products Group as a Director of Compliance and at Deutsche Bank AG as a Director in the Global Equities Compliance group with responsibility for equity derivatives compliance coverage. He was also a compliance officer at Banque National de Paris Group. Mr. Vencatachellum received a B.A. degree in business studies with honors from Kingston University.

European CLO Portfolio Management

Madelaine Jones, CFA
Managing Director and Portfolio Manager

Ms. Jones joined Oaktree's London office in 2003 and serves as portfolio manager for the European High Yield Bond and European Senior Loan strategies, and co-portfolio manager for the Global High Yield Bond strategy. Before joining Oaktree, Ms. Jones spent more than three years at Deutsche Bank AG in London as a senior associate in the Leveraged Debt Origination Group specializing in loan, mezzanine and high yield bond financings to support European leveraged buyouts. Prior thereto, she spent two years in the Acquisition Finance Group at NatWest Group plc. Ms. Jones received a B.A. degree in economics from the University of Durham, England. She is a CFA charterholder.

Credit Risk Mitigation

The Collateral Manager has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. The policies and procedures of the Collateral Manager in this regard broadly include the following:

(a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits (as to which, in relation to the Collateral Debt Obligations, see the information set out in this Offering Circular headed "*The Portfolio*" which describes the criteria that the selection of Collateral Debt Obligations to be included in the Portfolio is subject to);

(b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures (as to which it should be noted that the Portfolio will be serviced in line with the servicing procedures of the Collateral Manager – please see the sections of this Offering Circular headed "*The Portfolio*" and "*Description of the Collateral Management Agreement*");

(c) adequate diversification of credit portfolios given the overall credit strategy (as to which, in relation to the Portfolio, see the section of this Offering Circular headed "*The Portfolio – Portfolio Profile Tests*");

(d) policies and procedures in relation to risk mitigation techniques (as to which, see further the sections of this Offering Circular headed "*The Portfolio*" and "*Description of the Collateral Management Agreement*", which describes the ways in which the Collateral Manager is required to monitor the Portfolio); and

(e) to the extent not subject to confidentiality restrictions, upon reasonable request, as soon as reasonably practicable grant readily available access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting a securitisation exposure and to any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures (as to which, see further the sections of this Offering Circular headed "*The Portfolio*" and "*Description of the Reports*", which describe the criteria used for selection of the Collateral Debt Obligations and the reports prepared and provided in respect of such Collateral Debt Obligations).

THE RETENTION HOLDER AND THE EU RETENTION AND TRANSPARENCY REQUIREMENTS

Description of the Retention Holder

The Collateral Manager shall act as Retention Holder for the purposes of the EU Retention Requirements. On the basis of the paragraphs below, and the undertakings, representations, warranties and acknowledgements to be given by the Collateral Manager set out below, the Collateral Manager reasonably believes that it is an "originator" for the purposes of the EU Retention Requirements.

The information appearing in this section entitled "The Retention Holder and the EU Retention and Transparency Requirements" below consists of a summary of certain provisions of the Risk Retention Letter and does not purport to be complete and is qualified by reference to the detailed provisions of such letter.

The Retention

On the Issue Date, the Retention Holder will execute the Risk Retention Letter addressed to the Issuer, the Trustee (for the benefit of the Noteholders), the Collateral Administrator and Barclays Bank PLC in its capacity as Initial Purchaser and Sole Arranger.

Under the Risk Retention Letter, the Retention Holder will:

(a) undertake to acquire and retain a material net economic interest in the transaction which will be comprised of a first loss tranche by holding in its own name and on its own account on an on-going basis for so long as any Class of Notes remains Outstanding, Subordinated Notes with a Principal Amount Outstanding such that the aggregate purchase price thereof equals no less than 5 per cent. of the Target Par Retention Amount (the "**Retention**"), and such Notes required to be held the "**Retention Notes**"), subject to the proviso below;

(b) agree that neither it nor its Affiliates will sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes or the underlying Portfolio of Collateral Debt Obligations, except to the extent not restricted by the EU Retention Requirements;

(c) agree to take such further reasonable action, provide such information (subject to any duty of confidentiality and at the cost and expense of the party seeking such information) and enter into such other agreements as may reasonably be required to satisfy the EU Retention Requirements as of: (i) the Issue Date; and (ii) 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, the Collateral Administrator, the Initial Purchaser and the Sole Arranger in writing (which may be by way of email);

(e) acknowledge and confirm that it established the transaction contemplated by the Transaction Documents;

(f) represent, undertake and agree that:

  (i) it is, at the Issue Date, and shall remain, originator (as a single originator that "has established and is managing" the securitisation) of Originated Assets equal to at least 5 per cent. of the Target Par Retention Amount (measured on the basis of the nominal value of such assets as at the Issue Date);

  (ii) in relation to every Originated Asset which it arranges the commitment of the Issuer in respect of, it:

    (A) either itself or through related entities, directly or indirectly, was involved or will be involved in the original agreement which created or will create such Originated Asset; or

    (B) committed pursuant to the terms of the Conditional Sale Agreement to purchase such Originated Asset from the Issuer on its own account if such Originated Asset at any

time during the relevant Seasoning Period failed to meet the Eligibility Criteria (as such term is defined in the Warehouse Arrangements; and

(iii) it is not an entity that has been established or that operates for the sole purpose of securitising exposures as further defined and set out in the EU Retention Requirements.

(g) agree that it shall promptly notify the Issuer, the Trustee, the Collateral Administrator, the Initial Purchaser and the Sole Arranger if for any reason: (i) it ceases to hold the Retention in accordance with paragraph (a) above; (ii) it fails to comply with the covenant set out in paragraph (b) above, in any way; or (iii) any of the representations contained in the Risk Retention Letter fail to be true on any date on which they are made;

(h) notify the Collateral Administrator in writing of any sale, disposal or acquisition of an interest in the Retention by the Retention Holder promptly following such sale, disposal or acquisition; and

(i) undertake and agree that, in relation to each Originated Asset in respect of which it has not undertaken the original credit-granting of the exposures to be securitised, or is not active in credit-granting the specific types of exposures that are being securitised, it shall ensure that it obtains all the information it reasonably determines as necessary to assess whether the criteria applied in the credit-granting for such exposures are as sound and well-defined as the criteria applied to non-securitised exposures,

provided, *however*, that:

(i) the Retention Holder may transfer the Retention Notes to the extent such transfer would not cause the transaction described in this Offering Circular to cease to be compliant with the EU Retention Requirements; and

(ii) the Retention Holder's undertakings in respect of the Retention Notes are, unless otherwise specified, made as of the Issue Date, with such undertakings being binding for so long as any of the Notes remain Outstanding, and the Retention Holder does not have any obligation to change the quantum, method or nature of its holding of the Retention Notes as a result of any changes to the EU Retention Requirements following the Issue Date or any other changes to regulations or the interpretation thereof the result of which the Issuer is considered to be an alternative investment fund as defined under AIFMD following the Issue Date.

Origination of Collateral Debt Obligations

General

By way of background, the Securitisation Regulation definition of an "originator" refers to an entity which:

(a) itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised; or

(b) purchases a third party's exposures on its own account and then and then securitises them.

Article 3(4) of the regulatory technical standards adopted by the EU Commission on 13 March 2014 provides that, where the securitised exposures are created by multiple originators (as is the case in a managed CLO, where assets are acquired from numerous sellers in the market), the EU Retention and Transparency Requirements may be fulfilled in full by a single originator in circumstances where the relevant originator has established and is managing the scheme.

Origination

Pursuant to the Conditional Sale Agreement, the Issuer had the right in the event any Originated Assets failed to meet the Eligibility Criteria (as such term is defined under the Warehouse Arrangements) within the relevant Seasoning Period to require the Retention Holder to purchase the relevant Originated Asset(s) from it at a purchase price equal to the market value of the Originated Asset(s) at the commencement of the relevant Seasoning Period.

The Retention Holder, having due regard to assets and liabilities held on its own balance sheet from time to time, shall have absolute discretion to acquire, hold and/or sell assets at any time and, if appropriate, shall also have absolute discretion to nominate any asset which is proposed to be acquired from the Issuer and to nominate the CLO to which any asset is proposed to be sold.

The Retention Holder will, as part of its due diligence on each Originated Asset in respect of which it has not undertaken the original credit-granting, verify to the extent required pursuant to Article 9(3) that the entity directly or indirectly involved in the original agreement which created such asset, has applied to the asset the same sound and well-defined criteria for credit-granting that such entity applies to its non-securitised exposures. Such verification may in certain cases have been made by confirming that the original syndicate of lenders in respect of an originator has at least one credit institution that is subject to Regulation 2013/575/EU (as may be effective from time to time together with any amendments of any successor or replacement provisions included in any European Union directive or regulation) and the Retention Holder may take steps it deems necessary or appropriate to verify such matters in respect of the original lender(s) to the Originated Assets.

Transparency Requirements

The following description of the transparency requirements consists of a summary of certain provisions of the transparency requirements which does not purport to be complete and is qualified by reference to the detailed provisions of the Collateral Management 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 Agreement.

In accordance with Article 7(2) of the Securitisation Regulation, each of the originator, the sponsor and the Issuer are required to designate amongst themselves one entity to fulfil the reporting obligations of Article 7(1) of the Securitisation Regulation. Pursuant to the Collateral Management Agreement, the Issuer has undertaken to be designated as the entity responsible to fulfil the reporting obligations of Article 7(1) of the Securitisation Regulation and to adhere to its obligations in respect thereof.

The Collateral Manager will undertake to reasonably assist the Issuer in complying with its obligations under the EU Transparency Requirements, including by providing to the Collateral Administrator (or any applicable third party reporting entity) any reports, data and other information required for compliance by the Issuer with the EU Transparency Requirements (save to the extent such reports, data and/or other information has already been provided to, or is already available to, the Collateral Administrator (or such applicable third party reporting entity)) *provided* that the Collateral Manager shall not be responsible or liable for failing to provide any reports, data and other information that the Collateral Manager is unable to procure or source using reasonable efforts.

Prior to the adoption of final disclosure templates in respect of the EU Transparency Requirements, the Issuer intends to fulfil the reporting requirements contained in subparagraphs (a) and (e) of Article 7(l) of the Securitisation Regulation through the Payment Date Reports and the Monthly Reports (see "*Description of the Reports*"), and as soon as reasonably practicable following the adoption of the final reporting templates pursuant to the EU Transparency Requirements, the Issuer and the Collateral Manager will propose in writing to the Collateral Administrator the form, content, timing and method of distribution of the additional reporting templates and information relating thereto. The Collateral Administrator shall consult with the Issuer and the Collateral Manager and, if it agrees to assist the Issuer with such reporting on such proposed terms, shall confirm in writing to the Issuer and the Collateral Manager. If the Collateral Administrator agrees to assist the Issuer with such reporting, the Collateral Administrator shall make such information, including each Loan Report and each Investor Report, available via a secured website (available at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser and each Hedge Counterparty and as notified by the Issuer (with reasonable assistance, if the Issuer so requires, from the Collateral Manager) to each Rating Agency and the Noteholders from time to time)) (or by such other method of dissemination as is required or permitted by the Securitisation Regulation (as instructed by the Issuer (or the Collateral Manager on its behalf) and as agreed with the Collateral Administrator)) to any person who certifies to the Collateral Administrator (substantially in the form set out in the Collateral Management Agreement or such other form as may be agreed between the Collateral Manager, the Collateral Administrator and the Issuer, which certification may be given electronically and upon which certification the Collateral Administrator may rely absolutely) that it is (i) the Issuer, (ii) the Trustee, (iii) the Collateral Manager, (iv) the Initial Purchaser, (v) a Hedge Counterparty, (vi) a Rating Agency, (vii) a Noteholder, (viii) a Competent Authority or (ix) a potential investor in the Notes. If the Collateral Administrator does not agree to assist the Issuer with such reporting, the Issuer and the Collateral Manager shall appoint another entity to make such information available, *provided* that, if the Collateral Administrator does not agree to provide such reporting, it will use

reasonable endeavours to assist (at the request and cost of the Issuer) the Issuer in transferring all relevant information held by it to such other service provider.

For the avoidance of doubt, if the Collateral Administrator agrees to assist the Issuer with such information and reporting on behalf of the Issuer, the Collateral Administrator will not assume any responsibility for the Issuer's obligations as the entity responsible for fulfilling the reporting obligations under the EU Transparency Requirements. In making available such information and reporting, the Collateral Administrator also assumes no responsibility or liability to any third party, including the Noteholders and any potential Noteholders (including for their use or onward disclosure of any such information or documentation), and shall have the benefit of the powers, protections and indemnities granted to it under the Transaction Documents.

The Issuer shall procure that (i) any disclosure as required by Articles 7(1)(f) and 7(1)(g) of the Securitisation Regulation is published without delay and (ii) copies of the relevant Transaction Documents required to be disclosed pursuant to Article 7 of the Securitisation Regulation and this Offering Circular in final form are made available as soon as is reasonably practicable following the issuance of the Notes).

Retention Holder Credit Granting and Selection of Assets

Originators, sponsors and original lenders are required under the Securitisation Regulation to: (a) apply to exposures to be securitised the same sound and well-defined criteria for credit-granting which they apply to non-securitised exposures; (b) to that end, apply the same clearly established processes for approving and, where relevant, amending, renewing and refinancing credits; and (c) have effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting his obligations under the credit agreement.

The Securitisation Regulation also specifies that where an originator purchases a third party's exposures for its own account and then securitises them, that originator shall verify that the entity which was, directly or indirectly, involved in the original agreement which created the obligations or potential obligations to be securitised fulfils the requirements referred to in the paragraph above.

See further "*Risk Factors – Other Regulatory Considerations – Risk Retention and Due Diligence*" above.

THE PORTFOLIO

The following description of the Portfolio consists of a summary of certain provisions of the Collateral Management Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement. 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 Conditions of the Notes.

Introduction

Pursuant to the Collateral Management Agreement, the Collateral Manager is required to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. In addition, the Collateral Administrator is required to perform certain calculations in relation to the Portfolio on behalf of the Issuer, in each case to the extent and in accordance with the information provided to it by the Collateral Manager.

Acquisition of Collateral Debt Obligations

Acquisition of Collateral Debt Obligations prior to the Issue Date

The Issuer anticipates that, by the Issue Date, it (or the Collateral Manager on its behalf) will have purchased or committed to purchase Collateral Debt Obligations, the Aggregate Principal Balance of which is at least €285,000,000 which is approximately 95 per cent. of the Target Par Amount. Such Collateral Debt Obligations have been selected on behalf of the Issuer prior to the Issue Date by Oaktree Capital Management (Europe) LLP, acting pursuant to an interim collateral management agreement, and their acquisition prior to the Issue Date has been funded pursuant to certain Warehouse Arrangements. The proceeds of issue of the Notes after payment of: (a) amounts used by the Issuer to fund the First Period Reserve Account in an amount equal to €1,000,000, (b) the acquisition costs for the Collateral Debt Obligations acquired by the Issuer on or prior to the Issue Date, including repayment of the Issuer's warehouse funding pursuant to the Warehouse Arrangements and the payment of certain costs and expenses related to the Warehouse Arrangements; and (c) amounts used by the Issuer to fund the Expense Reserve Account for the payment of certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes, may be deposited in, the Interest Account, the Principal Account, the Expense Reserve Account and the Unused Proceeds Account on the Issue Date.

Acquisition of Collateral Debt Obligations generally

The Collateral Manager will determine and will act in accordance with the standard of care set out in the Collateral Management Agreement to cause to be acquired by the Issuer a portfolio of Secured Senior Loans, Unsecured Senior Obligations, Secured Senior Bonds, Second Lien Loans, Mezzanine Obligations, Corporate Rescue Loans, PIK Obligations, Bridge Loans and High Yield Bonds during the Initial Investment Period, the Reinvestment Period and thereafter (including, but not limited to, Collateral Debt Obligations purchased pursuant to the Warehouse Arrangements). The Collateral Manager acting on behalf of the Issuer, shall act in accordance with the standard of care set out in the Collateral Management Agreement to purchase Collateral Debt Obligations with an Aggregate Principal Balance equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account and the First Period Reserve 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 15 March 2021, subject to the Effective Date Determination Requirements being satisfied.

On any Payment Date on or following the Effective Date and up to and including the second Payment Date following the Effective Date only, the Balance standing to the credit of the Unused Proceeds Account may be transferred to the Principal Account and/or the Interest Account, and the Balance standing to the credit of the Principal Account may be transferred to the Interest Account in each case, at the discretion of the Collateral Manager (acting on behalf of the Issuer), *provided* that (i) immediately after giving effect to such transfer the Adjusted Collateral Principal Amount equals or exceeds the Unadjusted Reinvestment Target Par Amount and (ii) in aggregate and without duplication, no more than 0.75 per cent. of the Target Par Amount may be transferred to the Interest Account, save to the extent (if any) required to cure a Retention Deficiency.

Within 15 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 Debt 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 and the Rating Agencies (*provided* that, for the purposes of determining the Aggregate Principal Balance as provided above, the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its Fitch Collateral Value and its S&P Collateral Value) and the Issuer will provide, or cause the Collateral Manager to provide confirmation to the Trustee and the Collateral Administrator that it has received an accountants' certificate recalculating and comparing the Aggregate Principal Balance of all Collateral Debt 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 (other than the Interest Coverage Tests and the Class E Par Value Test) by reference to such Collateral Debt Obligations.

In addition, if the Effective Date S&P Condition has not yet occurred on the Effective Date and (w) the Issuer provides S&P with the S&P excel default model input file (as used by S&P), (x) the Issuer causes the Collateral Manager to provide to S&P the Effective Date Report and the Effective Date Report confirms satisfaction of the S&P CDO Monitor Test as of the Effective Date, (y) the Collateral Manager certifies to S&P (which confirmation may be in the form of an email) that the S&P CDO Monitor has been run as of the last day prior to the Effective Date (taking into account the S&P CDO Monitor Non-Model Adjustments described below) and that the result is passing and (z) the Collateral Manager provides to S&P an electronic copy of the Portfolio used to generate the passing test result, then a written confirmation from S&P of its Initial Ratings of the Rated Notes shall be deemed to have been provided; *provided* that, for purposes of determining compliance with the S&P CDO Monitor Test in connection with such Effective Date Report, the Weighted Average Floating Spread will be calculated (x) without giving effect to the Base Rate Floor in the calculation of paragraph (a)(iii) of the definition of Weighted Average Floating Spread and by assuming that any Collateral Debt Obligation subject to a EURIBOR floor bears interest at a rate equal to the stated interest rate spread over the London interbank offered rate based index for such Collateral Debt Obligation and (y) without including in the Aggregate Collateral Balance any Principal Proceeds designated to be included as Interest Proceeds after the Effective Date (the foregoing clauses (x) and (y), together, the "**S&P CDO Monitor Non-Model Adjustments**").

The Collateral Manager (acting on behalf of the Issuer) shall promptly, following receipt of the Effective Date Report request that the Rating Agencies confirm their Initial Ratings of the Rated Notes, *provided* that if the Effective Date S&P Condition is satisfied then such rating confirmation shall be deemed to have been received from S&P. If the Effective Date S&P Condition is not satisfied within 20 Business Days following the Effective Date the Collateral Manager shall promptly notify S&P. If either (i)(a) the Effective Date Determination Requirements have not been satisfied as at the Effective Date (unless Rating Agency Confirmation is received in respect of such failure to satisfy any of the Effective Date Determination Requirements) and (b) either the Collateral Manager (acting on behalf of the Issuer) fails to present a Rating Confirmation Plan to the Rating Agencies or Rating Agency Confirmation has not been obtained for the Rating Confirmation Plan following a request therefor by the Collateral Manager; or (ii) the Effective Date S&P Condition is not satisfied and following a request therefor from the Collateral Manager following the Effective Date, Rating Agency Confirmation from S&P is not received following the Effective Date, then an Effective Date Rating Event shall have occurred, *provided* that any downgrade or withdrawal of any of the Initial Ratings of the Notes which is not directly related to a request for confirmation thereof or which occurs after confirmation thereof by the Rating Agency shall not constitute an Effective Date Rating Event. 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, either (1) the Issuer, at the direction of the Collateral Manager, shall purchase additional Collateral Debt Obligations until an Effective Date Rating Event is no longer continuing or (2) 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 Debt Obligations and/or any other intended action which will 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

Subject as provided below, each Collateral Debt Obligation must, at the time of entering into a binding commitment to purchase 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 (which determination will not be called into question as a result of subsequent events) (capitalised terms in each case to be read and construed as if such obligation were a Collateral Debt Obligation):

(a) it is a Secured Senior Loan, a Secured Senior Bond, a Corporate Rescue Loan, an Unsecured Senior Obligation, a Mezzanine Obligation, a Second Lien Loan, a High Yield Bond, a PIK Obligation or a Bridge Loan;

(b) it (I) is denominated in Euro or (II) is denominated in a Qualifying Currency other than Euro and either (1) if such Non-Euro Obligation was acquired in the Primary Market and is denominated in a Qualifying Unhedged Obligation Currency within six months of the settlement date thereof, and otherwise (2) no later than the settlement date of the acquisition thereof; the Issuer (or the Collateral Manager on its behalf) enters into an Asset Swap Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such obligation and otherwise complies with the requirements set out in respect of such obligation in the Collateral Management Agreement and (III) is not convertible into or payable in any other currency;

(c) it is not a Collateral Debt Obligation which has a Collateral Debt Obligation Stated Maturity which is later than the Maturity Date;

(d) other than in the case of Corporate Rescue Loans, it is not a Defaulted Obligation or a Credit Impaired Obligation;

(e) it is not a lease (including, for the avoidance of doubt, a financial lease);

(f) it is not a Structured Finance Security, a Project Finance Loan, a pre-funded letter of credit or a Synthetic Security;

(g) it provides for a fixed amount of principal payable on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;

(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 of interest to the Issuer will not be subject to withholding tax (other than U.S. withholding tax imposed on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees, or other similar fees) imposed by any jurisdiction unless either: (i) such withholding tax can, upon completion of the procedural formalities, be sheltered by application being made under the applicable double tax treaty or otherwise; or (ii) the Obligor (or Selling Institution in the case of a Participation) 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) other than in the case of Corporate Rescue Loans, it is an obligation which (i) for so long as Fitch assigns a rating in respect of an Outstanding Class of Rated Notes, has a Fitch Rating of "CCC-" or higher and (ii) for so long as S&P assigns a rating in respect of an Outstanding Class of Rated Notes, an S&P Rating of "CCC-" or higher;

(k) it is not a debt obligation whose repayment is subject to substantial non-credit related risk;

(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 arise out of future drawing obligations in respect of a Revolving Obligation or a Delayed Drawdown Collateral Debt Obligation and which are fully collateralised by way of amounts deposited in the Unfunded Revolver Reserve Account; (ii) which may arise at its option; (iii) which are fully collateralised; (iv) which are subject to limited recourse provisions similar to those set out in the Trust Deed; (v) which are owed to the agent bank in relation to the performance of its duties under a Collateral Debt Obligation; or (vi) which may arise as a result of an

undertaking to participate in a financial restructuring whereby the Collateral Debt Obligation is redeemed in full and the Issuer enters into a restructured Collateral Debt Obligation in respect of which the Obligor of such Collateral Debt Obligation prior to such restructuring is an affiliate of the Obligor of the restructured obligation and where the restructured Collateral Debt Obligation satisfies the Eligibility Criteria; and 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 Collateral Debt 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 Obligations);

(o) it is not subject to a tender offer, voluntary redemption, exchange offer, conversion or other similar action for a price less than its par amount plus all accrued and unpaid interest;

(p) its acquisition by the Issuer will not result in the imposition of stamp duty, stamp duty reserve tax or similar tax or duty payable by the Issuer or by any other person entitled to recover the same from the Issuer, unless such tax or duty has been included in the purchase price of such Collateral Debt Obligation;

(q) the Collateral Debt Obligation is capable of being, on settlement, the subject of a first fixed charge, a first priority security interest or other arrangement having a similar commercial effect in favour of the Trustee for the benefit of the Secured Parties;

(r) it is a "qualifying asset" for the purposes of section 110 of the Taxes Consolidation Act 1997 of Ireland;

(s) the assets being acquired do not constitute "specified mortgages" as defined in Section 110 (5A) of the Taxes Consolidation Act 1997 of Ireland, units in an Irish Real Estate Fund within the meaning of Chapter 1B of Part 27 of the Taxes Consolidation Act 1997 of Ireland or shares that derive their value from, or the greater part of their value from, directly or indirectly, Irish real estate;

(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) it has not been called for, and is not subject to a pending redemption;

(v) 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;

(w) it is not a Step-Down Coupon Security;

(x) it must require the consent of at least 50 per cent. of the lenders to the Obligor thereunder for any change that is adverse to the interests of holders thereof to the principal repayment profile or interest applicable on such obligation (for the avoidance of doubt, excluding any changes originally envisaged in the loan documentation), *provided* that in the case of a Collateral Debt 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;

(y) it is not, and is not convertible into, an equity security;

(z) in the case of an obligation of a company incorporated or established in, or a sovereign issuer of, the United States, or otherwise bearing interest that arises, for U.S. federal income tax purposes, from sources within the United States, it is in registered form for U.S. federal income tax purposes;

(aa) it is not a Zero Coupon Obligation;

(bb) it is not an obligation of an Obligor that has total current indebtedness (comprising of all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) of less than EUR 150,000,000 (or its equivalent in another currency);

(cc) it has a minimum purchase price of 60 per cent. of the Principal Balance of such Collateral Debt Obligation;

(dd) it does not derive its value, or the greater part of its value, directly or indirectly, from land in Ireland;

(ee) 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;

(ff) it is not an obligation that contains limited recourse provisions that limit the obligations of the Obligor thereunder to a defined portfolio or pool of assets;

(gg) for so long as S&P assigns a rating in respect of an Outstanding Class of Rated Notes, it does not have a an "f", "r", "p", "pi", "q", "(sf)" or "t" subscript assigned by S&P; and

(hh) it is not an obligation of a company whose principal business is directly derived from the production or marketing of controversial weapons (including antipersonnel landmines, cluster weapons, chemical and biological weapons), thermal coal, development of nuclear weapons programs or production of nuclear weapons.

Other than (i) Issue Date Collateral Debt Obligations which must satisfy the Eligibility Criteria on the Issue Date and (ii) Collateral Debt Obligations which are the subject of a restructuring (as determined by the Issuer, assisted by the Collateral Manager) (whether effected by way of an amendment to the terms of such Collateral Debt 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 must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date, the subsequent failure of any Collateral Debt Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Debt Obligation from being a Collateral Debt 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.

"**Bridge Loan**" shall mean any Collateral Debt 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 Fitch Rating or, if the Bridge Loan is not rated by Fitch, Rating Agency Confirmation from Fitch has been obtained.

"**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.

"**Zero Coupon Obligation**" means any Collateral Debt Obligation the terms of which provide for repayment of a stated principal amount at a stated maturity date but which do not provide for periodic payments of interest in cash at any time while such security is outstanding.

"**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 asset backed security.

Restructured Obligations

If a Collateral Debt Obligation becomes the subject of a restructuring (as determined in the sole discretion of the Collateral Manager) whether effected by way of an amendment to the terms of such Collateral Debt 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, such obligation shall only constitute a Restructured Obligation if such obligation satisfies each of the criteria: paragraphs (a), (b), (e), (f), (g), (h), (k), (l), (m), (o), (q), (r), (t), (u) (notwithstanding the fact that a Collateral Debt Obligation is subject to a pending redemption, *provided* that if the redemption price of such Collateral Debt Obligation is expected to be 100 per cent. of the Principal Balance of such Collateral Debt Obligation, such Collateral Debt Obligation will be considered to satisfy paragraph (u) of the Restructured Obligation Criteria (as defined below)), (v), (x), (y), (z) and (gg) of the Eligibility Criteria thereof and such obligation has been assigned or otherwise has a Fitch Rating and an S&P Rating *provided* that not more than 5 per cent. of the Aggregate Collateral Balance may consist of Restructured Obligations which have a Collateral Debt Obligation Stated Maturity that falls on a date which is on or after the Maturity Date of the Notes (for which purpose, the Principal Balance of each Defaulted Obligation shall be its S&P Collateral Value), (such criteria, the "**Restructured Obligation Criteria**") on the related Restructuring Date.

If the Collateral Manager determines in its reasonable discretion that a Collateral Debt Obligation satisfies the Restructured Obligation Criteria it will provide an Issuer Order (as defined in the Collateral Management Agreement) to the Trustee, which certifies the same.

For the avoidance of doubt, a repayment of a Collateral Debt Obligation in circumstances whereby the redemption proceeds are rolled as consideration for a new obligation (including by way of a "cashless roll") shall be treated as the acquisition by the Issuer of a new Collateral Debt Obligation and not as the acquisition of a Restructured Obligation.

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 Debt Obligations and Exchanged Securities and to reinvest the Sale Proceeds (other than accrued interest on such Collateral Debt Obligations included in Interest Proceeds by the Collateral Manager) thereof in Substitute Collateral Debt Obligations. The Collateral Manager shall notify the Collateral Administrator of all necessary details of the Collateral Debt Obligation or Exchanged Security to be sold and the proposed Substitute Collateral Debt Obligation to be purchased and the Collateral Administrator (on behalf of the Issuer) shall determine and shall provide confirmation of whether the Portfolio Profile Tests and Reinvestment Criteria which are required to be satisfied, maintained or improved (as applicable) in connection with any such sale or reinvestment are satisfied, maintained or improved (as applicable) or, if any such criteria are not satisfied, maintained or improved (as applicable), shall notify the Issuer and the Collateral Manager of the reasons and the extent to which such criteria are not so satisfied, maintained or improved (as applicable).

The Collateral Manager will determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Debt Obligations (including all Substitute Collateral Debt Obligations) taking into account the Eligibility Criteria and any applicable Reinvestment Criteria and the guidelines contained in the Collateral Management Agreement and will monitor the performance of the Collateral Debt Obligations on an on-going 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 or not the terms of any individual Collateral Debt 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 Agreement.

Sale of Collateral Debt Obligations

Sale of Non-Eligible Issue Date Collateral Debt Obligations

The Collateral Manager, acting on behalf of the Issuer shall sell any Issue Date Collateral Debt Obligations which do not comply with the Eligibility Criteria on the Issue Date (each a "**Non-Eligible Issue Date Collateral Debt Obligation**"). Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Debt Obligations satisfying the Eligibility Criteria or (provided that such transfer would not cause a Retention Deficiency) credited to the Principal Account pending such reinvestment.

Sale of Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations

Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Collateral Manager (acting on behalf of the Issuer) subject to:

(a) the Collateral Manager's knowledge, no Note Event of Default having occurred which is continuing; and

(b) the Collateral Manager determines, in accordance with the standard of care set out in the Collateral Management Agreement, that such security constitutes a Credit Impaired Obligation, a Credit Improved Obligation or a Defaulted Obligation as the case may be.

Sale of Exchanged Securities and Collateral Enhancement Obligations

Any Exchanged Security may be sold at any time by the Collateral Manager in its discretion (acting on behalf of the Issuer) subject to, to the Collateral Manager's knowledge, no Note Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Security as provided above, the Collateral Manager shall be required by the Issuer 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) in accordance with the standard of care set out in the Collateral Management Agreement.

Collateral Enhancement Obligations may be sold at any time.

Sale of Assets which do not constitute Collateral Debt Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date on which the Collateral Manager on behalf of the Issuer entered into a binding commitment to acquire it, the Collateral Manager shall sell such asset in accordance with the standard of care set out in the Collateral Management Agreement. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Discretionary Sales

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may dispose of any Collateral Debt Obligation (other than a Non-Eligible Issue Date Collateral Debt Obligation, an obligation which did not satisfy the Eligibility Criteria on the date on which the Collateral Manager on behalf of the Issuer entered into a binding commitment to acquire it, a Credit Improved Obligation, a Credit Impaired Obligation, a Defaulted Obligation, an Exchanged Security or a Collateral Enhancement Obligation, each of which may only be sold in the circumstances provided above) at any time provided:

(a) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Note Event of Default having occurred which is continuing;

(b) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Debt 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 30 per cent. of the Aggregate Collateral Balance (excluding, any Non-Eligible Issue Date Collateral Debt Obligation, an obligation which did not satisfy the Eligibility Criteria on the date on which the Collateral Manager on behalf of the Issuer entered into a binding commitment to acquire it, any Credit Improved Obligation, any Credit Impaired Obligation, any Defaulted Obligation, any Exchanged Security and any Collateral Enhancement Obligation) 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 into one or more binding commitments to reinvest all or a portion of the proceeds of such sale in one or more additional Collateral Debt Obligations within 60 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 Debt Obligation; or (2) after giving effect to such sale, the Aggregate Principal Balance of all Collateral Debt Obligations (excluding the Collateral Debt Obligations being sold but including, without duplication, the expected Sale Proceeds of such sale) plus, without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Account and including Eligible Investments therein but save for any interest accrued on Eligible Investments) will be greater than (or equal to) the Reinvestment Target Par Amount.

For the purposes of determining the percentage of Collateral Debt Obligations sold during any such period, the amount of any Collateral Debt Obligations sold will be reduced to the extent of any purchases of Collateral Debt Obligations of the same Obligor (which are *pari passu* or senior to such sold Collateral Debt Obligations) occurring within 45 Business Days of such sale (determined based upon the date of any relevant trade confirmation or commitment letter) so long as any such Collateral Debt Obligation was sold with the intention of purchasing a Collateral Debt Obligation of the same Obligor (which would be *pari passu* or senior to such sold Collateral Debt Obligation).

"**Investment Criteria Adjusted Balance**" means with respect to a Collateral Debt Obligation, the Principal Balance of such Collateral Debt Obligation, *provided* that the Investment Criteria Adjusted Balance of:

(a) a Deferring Obligation shall be the lesser of:

(i) its S&P 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 Debt Obligation which has been included in the calculation of the CCC Excess shall be the product of its Market Value and its Principal Balance,

provided that if a Collateral Debt Obligation satisfies two or more of (a) through (c) above, the Investment Criteria Adjusted Balance of such Collateral Debt 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 S&P and Fitch following the commencement of a Restricted Trading Period.

Sale of Collateral Prior to Maturity Date

In the event of: (i) any redemption of the Rated Notes in whole prior to the Maturity Date; or (ii) receipt of notification from the Trustee of enforcement of the security over the Collateral; the Collateral Manager (acting on behalf of the Issuer) will (at the direction of the Trustee following the enforcement of such security), as far as practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date or date of purchase and sell all or part of the Portfolio, as applicable, in accordance with Condition 7(b)(vi) (*Optional Redemption in whole of all Classes of Notes effected through Liquidation only*) and clause 6 (*Realisation of Collateral*) of the Collateral Management Agreement but without regard to the limitations set out in clause 5 (*Sale and Reinvestment of Portfolio Assets*) and Schedule 5 (*Reinvestment Criteria*) of the Collateral Management Agreement (which will include any limitations or restrictions set out in the Conditions of the Notes and the Trust Deed).

Reinvestment of Collateral Debt 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 shall not apply prior to the Effective Date or in the case of a Collateral Debt Obligation which has been restructured where such restructuring has become binding on the holders thereof (whether or not such obligation would constitute a Restructured Obligation).

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 in the purchase of additional Collateral Debt Obligations or Substitute Collateral Debt Obligations satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Collateral Debt 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 enquiry or investigation), no Note Event of Default has occurred that is continuing at the time of such purchase provided, however, any such reinvestment may nonetheless occur if the consent of the Controlling Class acting by Ordinary Resolution has been obtained;

(b) on and after the Effective Date (or in the case of the Interest Coverage Tests, the Determination Date immediately prior to the second Payment Date) the Coverage Tests (save for the Class E Par Value Test) 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, such proceeds may only be reinvested if the Coverage Tests (save for the Class E Par Value Test) will be satisfied immediately following such reinvestment as calculated immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation the Principal Proceeds of which are being reinvested), any Coverage Test (save for the Class E Par Value Test) was not satisfied, the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment, than it was immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation;

(c) in the case of a Substitute Collateral Debt Obligation purchased with Sale Proceeds of a Credit Impaired Obligation or a Defaulted Obligation, any of:

  (i) the Aggregate Principal Balance of all Substitute Collateral Debt Obligations purchased with such Sale Proceeds shall at least equal such Sale Proceeds;

  (ii) the sum of: (A) the Aggregate Principal Balance of all Collateral Debt Obligations (for which purposes, the Principal Balance of each Defaulted Obligation shall be its Market Value) (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligation); and (B) amounts standing to the credit of the Principal Account and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) (including any Eligible Investments (save for interest accrued on Eligible Investments)) is equal to or greater than the Unadjusted Reinvestment Target Par Amount;

  (iii) the Aggregate Principal Balance of all Collateral Debt Obligations (for which purposes, the Principal Balance of each Defaulted Obligation shall be its Market Value) will be maintained or increased when compared to the Aggregate Principal Balance of all Collateral Debt Obligations (for which purposes, the Principal Balance of each Defaulted Obligation shall be its Market Value) immediately prior to such sale; or

  (iv) the Adjusted Collateral Principal Amount is maintained or increased;

(d) after the Effective Date, either: (A) each of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied; or (B) if any of the Portfolio Profile Tests or Collateral Quality Tests are not satisfied such test will be (x) maintained or (y) improved after giving effect to such reinvestment, than it was immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation;

(e) the date on which the Issuer (or the Collateral Manager acting on behalf of the Issuer) enters into a binding commitment to purchase such Collateral Debt Obligation occurs during the Reinvestment Period;

(f) with respect to the reinvestment of Sale Proceeds (other than Sale Proceeds from Credit Impaired Obligations, Defaulted Obligations and Exchanged Securities) or Unscheduled Principal Proceeds or Scheduled Principal Proceeds either:

(i) the Aggregate Principal Balance of all Collateral Debt Obligations (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Market Value) shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Market Value) immediately prior to the sale that generates such Sale Proceeds;

(ii) after giving effect to such sale, the sum of: (A) the Aggregate Principal Balance of all Collateral Debt Obligations (for which purposes, the Principal Balance of each Defaulted Obligation is its Market Value) (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Substitute Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligations); and (B) amounts standing to the credit of the Principal Account and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) (including any Eligible Investments (save for interest accrued on Eligible Investments)) is equal to or greater than the Unadjusted Reinvestment Target Par Amount; or

(iii) the Adjusted Collateral Principal Amount is maintained or increased;

(g) no Retention Deficiency occurs as a direct result of, and immediately after giving effect to, such reinvestment; and

(h) notwithstanding anything to the contrary, if the Balance of the Principal Account after giving effect to (i) all expected debits and credits in connection with such reinvestment and all other sales and purchases (as applicable) previously or simultaneously committed to, and (ii) (without duplication of amounts in the preceding sub-paragraph (i)) anticipated receipts of Principal Proceeds, would be a negative amount (the "**Negative Balance**"), the absolute value of such negative amount is not greater than 5 per cent. of the Adjusted Collateral Principal Amount as of the Measurement Date immediately preceding the trade date for such reinvestment, *provided* that this paragraph (h) shall not apply if, as per the most recent Monthly Report, the absolute value of the Negative Balance was less than or equal to 5 per cent. of the Adjusted Collateral Principal Amount,

provided that, for the avoidance of doubt, with respect to any Collateral Debt Obligations for which the trade date has occurred during the Reinvestment Period but which settles after such date, the purchase of such Collateral Debt Obligations shall be treated as a purchase made during the Reinvestment Period for the purposes of the Trust Deed.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations only, may be reinvested by the Collateral Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Debt Obligations satisfying the Eligibility Criteria, in each case provided that:

(a) to the Collateral Manager's knowledge (without the need for enquiry or investigation); no Note Event of Default has occurred that is continuing at the time of such reinvestment, *provided*, *however*, any such reinvestment may nonetheless occur if the consent of the Controlling Class acting by Ordinary Resolution has been obtained;

(b) the Aggregate Principal Balance of Substitute Collateral Debt Obligations equals or exceeds (i) the Aggregate Principal Balance of the related Collateral Debt Obligations that produced such Unscheduled Principal Proceeds or Sale Proceeds or (ii) the amount of Sale Proceeds of such Credit Impaired Obligations;

(c) each Coverage Test will be satisfied immediately prior to and immediately after giving effect to such reinvestment;

(d) the Weighted Average Life Test will be either: (A) if the Weighted Average Life was not satisfied as of the last day of the Reinvestment Period, satisfied after giving effect to such reinvestment; or (B) if the Weighted Average Life Test was satisfied as of the last day of the Reinvestment Period, satisfied or, if not satisfied, maintained or improved immediately after giving effect to such reinvestment;

(e) immediately after giving effect to such reinvestment, the Fitch Maximum Weighted Average Rating Factor Test will be satisfied;

(f) either: (I) the Portfolio Profile Tests and the Collateral Quality Tests (except the S&P CDO Monitor Test, the Fitch Maximum Weighted Average Rating Factor Test and the Weighted Average Life 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 satisfied after giving effect to such reinvestment or will be (x) (other than paragraphs (k) and (l) of the Portfolio Profile Tests) maintained or (y) improved after giving effect to such reinvestment, than it was immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation;

(g) the Collateral Debt Obligation Stated Maturity of each Substitute Collateral Debt Obligation is the same as or earlier than the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds, *provided* that where such Substitute Collateral Debt Obligation is purchased pursuant to a Trading Plan, this paragraph (g) shall be satisfied if the Collateral Debt Obligation Stated Maturity of the Substitute Collateral Debt Obligations purchased pursuant to such Trading Plan is (calculated on a weighted average basis with respect to each such Substitute Collateral Debt Obligation's Principal Balance) the same as or earlier than the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligations (calculated on a weighted average basis with respect to each such Collateral Debt Obligation's Principal Balance) that produced such Unscheduled Principal Proceeds or Sale Proceeds, as the case may be;

(h) no Retention Deficiency occurs as a direct result of, and immediately after giving effect to, such reinvestment;

(i) a Restricted Trading Period is not currently in effect;

(j) after giving effect to the reinvestment, not more than 7.5 per cent. of the Aggregate Collateral Balance consists of obligations which are S&P CCC Obligations;

(k) after giving effect to the reinvestment, not more than 7.5 per cent. of the Aggregate Collateral Balance consist of obligations which are Fitch CCC Obligations;

(l) notwithstanding anything to the contrary, if the Balance of the Principal Account after giving effect to (i) all expected debits and credits in connection with such reinvestment and all other sales and purchases (as applicable) previously or simultaneously committed to, and (ii) (without duplication of amounts in the preceding sub-paragraph (i)) anticipated receipts of Principal Proceeds, would be a negative amount (the "**Negative Balance**"), the absolute value of such negative amount is not greater than 5 per cent. of the Adjusted Collateral Principal Amount as of the Measurement Date immediately preceding the trade date for such reinvestment, *provided* that this paragraph (l) shall not apply if, as per the most recent Monthly Report, the absolute value of the Negative Balance was less than or equal to 5 per cent. of the Adjusted Collateral Principal Amount; and

(m) for so long as any Notes rated by S&P are Outstanding, such Substitute Collateral Debt Obligation (i) has the same or a higher S&P Rating as the Collateral Debt Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds or (ii) for so long as any Notes rated by S&P are Outstanding, the S&P CDO Monitor SDR is no greater following such reinvestment.

Following the expiry of the Reinvestment Period, (i) the S&P CDO Monitor Test shall cease to apply and (ii) any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Impaired Obligations or Credit Improved Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments on the following Payment Date (subject as provided at the end of this paragraph), save that the Collateral Manager (acting on behalf of the Issuer) may in its discretion procure that

Unscheduled Principal Proceeds and/or Sale Proceeds from the sale of any Credit Impaired Obligations or Credit Improved Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Debt Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Proceeds Priority of Payments for so long as they remain so designated for reinvestment but for no longer than the later of (A) 45 calendar days following receipt by the Issuer and (B) the end of the following Due Period; *provided* that, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds or Unscheduled Principal Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments set out in Condition 3(c)(ii) (*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 and in the Trust Deed, on any Business Day after the Reinvestment Period, if the Collateral Manager reasonably anticipates that the Notes will be redeemed in full, the Collateral Manager, acting in accordance with the standard of care set out in the Collateral Management Agreement, may (in anticipation and for the purposes of effecting such redemption) 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:

(a) 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);

(b) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice; and

(c) if no Noteholder submits such a bid within the time period specified under paragraph (a) 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 Collateral Administrator on or before the date specified in such notice, subject to minimum denominations, *provided* that:

  (i) to the extent that minimum denominations do not permit a *pro rata* distribution, the Collateral Administrator 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 Collateral Administrator; and

  (ii) the Collateral Administrator will use commercially reasonable efforts to effect delivery of such interests; and

(d) if no such Noteholder or Beneficial Owner provides delivery instructions to the Collateral Administrator, the Collateral Administrator will promptly notify the Collateral Manager and 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 Collateral Administrator will take such action as directed by the Collateral Manager (on behalf of the Issuer) in writing to 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.

"**Unsaleable Assets**" means (a)(i) a Defaulted Obligation, (ii) an equity security or (iii) an obligation received in connection with an Offer, in a restructuring or plan of reorganisation with respect to the obligor, 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 Debt 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 (upon which certification the Trustee may rely) that (x) it has made efforts to dispose of such obligation (in accordance with the standard of care set out in the Collateral Management Agreement) for at least 90 days and (y) it determines (in accordance with the standard of care set out in the Collateral Management Agreement) that such obligation is not expected to be saleable in the foreseeable future.

Amendments to the maturity of Collateral Debt Obligations following the Reinvestment Period

The Issuer (or the Collateral Manager on its behalf) may execute, enter into, agree to or vote in favour of any waiver, variance, amendment or modification extending or having the effect of extending the maturity of a Collateral Debt 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) if (x) after giving effect to such Maturity Amendment (A) the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation that is the subject of such Maturity Amendment is not later than the Maturity Date of the Rated Notes and (B) the Aggregate Principal Balance of each Collateral Debt Obligation held by the Issuer in respect of which the Issuer has voted in favour of a Maturity Amendment is not more than 10.0 per cent. of the Target Par Amount and (y) the Weighted Average Life Test will be satisfied after giving effect to such amendment.

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 the Collateral Debt Obligation Stated Maturity has been extended, by way of scheme of arrangement or otherwise, the Issuer or the Collateral Manager acting on its behalf may but shall not be required to sell such Collateral Debt Obligation provided that in any event the Collateral Manager shall dispose of such Collateral Debt 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.

For the avoidance of doubt, (a) a waiver, variance, amendment or modification that would extend the Collateral Debt Obligation Stated Maturity of the credit facility of which a Collateral Debt Obligation is part, but would not extend the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation held by the Issuer, does not constitute a Maturity Amendment, and (b) a repayment of a Collateral Debt Obligation in circumstances whereby the redemption proceeds are rolled as consideration for a new obligation (including by way of a "cashless roll") shall be treated as the acquisition by the Issuer of a new Collateral Debt Obligation and not as a Maturity Amendment.

"**Maturity Amendment**" means with respect to any Collateral Debt Obligation, any waiver, modification, amendment or variance that would extend the Collateral Debt Obligation Stated Maturity of such Collateral Debt 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).

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 Debt 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 Debt Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Debt Obligations.

Designation for Reinvestment

After the expiry of the Reinvestment Period, the Collateral Manager shall, one Business Day following 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 the Collateral Management 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.

The Collateral Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Collateral Debt 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; 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.

Accrued Interest

Amounts included in the purchase price of any Collateral Debt 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 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 Debt Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Debt 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 Debt Obligations on any day in the event that such Collateral Debt 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 Debt Obligation or a group of Collateral Debt Obligations), in each case 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 20 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 Debt Obligations having an Aggregate Principal Balance that exceeds 5 per cent. of the Aggregate Collateral Balance as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Payment Date; (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; (iv) no Trading Plan may include a Determination Date; (v) no Trading Plan may be entered into following the expiry of the Reinvestment Period if (A) any of the Collateral Debt Obligations which form part of such Trading Plan have a Collateral Debt Obligation Stated Maturity shorter than six months and (B) the differential between the shortest and the longest maturities of the related Collateral Debt Obligations forming part of such Trading Plan exceeds four years; and (vi) if the Reinvestment Criteria are satisfied prospectively after giving effect to a Trading Plan but are not satisfied upon the expiry of the related Trading Plan Period, Rating Agency Confirmation from Fitch is obtained with respect to the effectiveness of additional Trading Plans (it being understood that Rating Agency Confirmation from Fitch shall only be required once following any failure of a Trading Plan); *provided* that no Trading Plan may result in the averaging of the purchase price of a Collateral Debt Obligation or Collateral Debt Obligations purchased at separate times for purposes of determining whether any particular Collateral Debt Obligation is a Discount Obligation. The Collateral Manager may, in its sole discretion, elect to end any Trading Plan Period on a day that is earlier than 20 Business Days after its commencement.

For the avoidance of doubt, compliance with the Reinvestment Criteria upon completion of a Trading Plan pursuant to (v) above, shall be calculated with respect to those Collateral Debt Obligations that were actually sold and/or purchased as part of the relevant Trading Plan on the basis of data used as at the Initial Trading Plan Calculation Date.

Eligible Investments

The Issuer or the 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 Account, the Unfunded Revolver Reserve Account, each Asset Swap Account, the Hedge Termination Account and the Payment Account). 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 (i) from time to time purchase Collateral Enhancement Obligations independently or as part of a unit with the Collateral Debt Obligations being so purchased and (ii) in its sole discretion reclassify as a Collateral Enhancement Obligation (i) any Non-Eligible Issue Date Collateral Debt Obligations (as reclassified by the Collateral Manager hereunder, "**Issue Date Ineligible Portfolio Obligations**") provided the aggregate Reclassification Price in respect thereof is no greater than €10,000,000) or (ii) any assets held by the Issuer that do not satisfy the Eligibility Criteria after the Issue Date (whether on the date they were required to do so or thereafter) or that do not satisfy the Restructured Obligation Criteria at the Restructuring Date (if applicable) (as reclassified by the Collateral Manager hereunder, "**Post-Issue Date Ineligible Portfolio Obligations**" and together with any Issue Date Ineligible Portfolio Obligations, "**Ineligible Portfolio Obligations**"), provided that any such assets may only be reclassified if an amount representing the market value thereof (or, in the sole discretion of the Collateral Manager, any greater amount) as at the relevant date of such reclassification (such date, the "**Reclassification Date**" and such amount the "**Reclassification Price**") is, on the Reclassification Date, either:

(a) in respect of any Issue Date Ineligible Portfolio Obligations, retained as Note Proceeds in the Unused Proceeds Account pursuant to netting arrangements to be entered into (if applicable) in respect of a Collateral Manager Advance to be made on the Issue Date by the Collateral Manager to be applied towards such reclassification and the amount required to be applied towards the repayment of any subordinated funding amounts borrowed by the Issuer under the Warehouse Arrangements; or

(b) in respect of any Post-Issue Date Ineligible Portfolio Obligations, credited to the Principal Account out of the Balance standing to the credit of the Collateral Enhancement Account at the relevant time, or from the proceeds of a Collateral Manager Advance or as a permitted use of certain other proceeds specified to be used to acquire Collateral Enhancement Obligations which shall in each case be deemed to be a purchase of a Collateral Enhancement Obligation in accordance with the terms thereunder.

Any transfer of a Reclassification Price and the related reclassification of a Collateral Debt Obligation as a Collateral Enhancement Obligation shall be deemed to be the acquisition of a Collateral Enhancement Obligation and the sale of the relevant Collateral Debt Obligation, in each case in accordance with and subject to the terms of the Collateral Management Agreement. Any such reclassification so deemed to be a sale of the relevant Collateral Debt Obligation shall therefore only be permissible if such reclassification satisfies the relevant criteria and terms in respect of the sale of any Collateral Debt Obligation in accordance with and subject to the terms of the Collateral Management Agreement.

All funds required in respect of the purchase price of any Collateral Enhancement Obligations (other than an Issue Date Ineligible Portfolio Obligation), and all funds required in respect of the exercise price of any rights or options thereunder, may be paid out of the balance standing to the credit of the Collateral Enhancement Account at the relevant time, by means of a Collateral Manager Advance or as a permitted use of certain other proceeds. Pursuant to Condition 3(j)(vi) (*Collateral Enhancement Account*), such Balance shall be comprised of all sums deposited therein from time to time which will include interest and/or principal payable in respect of the Subordinated Notes which the Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the Collateral Enhancement Account pursuant to the Priorities of Payments rather than being paid to the Subordinated Noteholders.

Collateral Enhancement Obligations may be sold at any time by the Issuer or the Collateral Manager on behalf of the Issuer, and all Collateral Enhancement Obligation Proceeds received by the Issuer shall be deposited into the Collateral Enhancement 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.

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, to the Collateral Manager's knowledge, no Note Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Securities as provided above, the Collateral Manager shall be required by the Issuer 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) in accordance with the standard of care set out in the Collateral Management Agreement.

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 Debt 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 Agreement requires that the Collateral Manager, on behalf of the Issuer, shall use reasonable endeavours to sell any Collateral Debt 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.

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 Debt Obligation that satisfies paragraph (b) of the Eligibility Criteria if either (i) for any Non-Euro Obligation denominated in a Qualifying Unhedged Obligation Currency and acquired in the Primary Market, within six months of the settlement date of acquisition thereof or otherwise (ii) not later than the settlement date of acquisition thereof, the Collateral Manager procures entry by the Issuer into an Asset Swap Transaction pursuant to which the currency risk arising from receipt of cash flows from such Non-Euro Obligations, including interest and principal payments, is hedged through the swapping of such cash flows for Euro payments to be made by an Asset Swap Counterparty and provided that the Aggregate Principal Balance of all Unhedged Collateral Debt Obligations which are not at the time of determination subject to an Asset Swap Transaction shall not exceed 2.5 per cent. of the Aggregate Collateral Balance at any time. Notwithstanding the foregoing, the Collateral Manager shall only be authorised to purchase, on behalf of the Issuer, Non-Euro Obligations for which an Asset Swap Transaction has not been entered into if, before and immediately after such purchase (after calculating the principal balance thereof in accordance with the provisions of the Principal Balance for Unhedged Collateral Debt Obligations), the Aggregate Collateral Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be the lower of its Fitch Collateral Value and its S&P Collateral Value) is greater than or equal to the Unadjusted Reinvestment Target Par Amount. The Collateral Manager (on behalf of the Issuer) shall be authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Asset Swap Transaction or the purchase of any Unhedged Collateral Debt Obligations. The Collateral Manager (on behalf of the Issuer) shall be authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Asset Swap Transaction. Rating Agency Confirmation shall be required in relation to entry into each Asset Swap Transaction unless such Asset Swap Transaction is a Form Approved Asset Swap. See the "*Hedging Arrangements*" section of this Offering Circular.

Revolving Obligations and Delayed Drawdown Collateral Debt Obligations

The Collateral Manager acting on behalf of the Issuer, may acquire Collateral Debt Obligations which are Revolving Obligations or Delayed Drawdown Collateral Debt Obligations from time to time.

Each Revolving Obligation and Delayed Drawdown Collateral Debt 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 Debt 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 Debt 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 Debt 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 payment obligations of the Issuer in relation to a Revolving Obligation or a Delayed Drawdown Collateral Debt Obligation including but not limited to reimbursement or indemnification obligations owed by the Issuer to any other lender in connection with a Revolving Obligation or a Delayed Drawdown Collateral Debt Obligation, as applicable and upon receipt of an Issuer Order (as defined in the Collateral Management Agreement) the Trustee shall release such amounts from the security granted thereover pursuant to the Trust Deed.

Participations

The Collateral Manager acting on behalf of the Issuer, may from time to time acquire Collateral Debt Obligations from Selling Institutions by way of Participation provided that at the time such Participation is taken:

(a) the percentage of the Aggregate Collateral Balance that represents Participations (including, for the avoidance of doubt each participation and sub-participation from which the Issuer, directly or indirectly derives its interest in the relevant Collateral Debt Obligation) entered into by the Issuer with a single Selling Institution will not exceed the individual and aggregate percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and

(b) the percentage of the Aggregate Collateral Balance that represents Participations (including, for the avoidance of doubt each participation and sub-participation from which the Issuer, directly or indirectly derives its interest in the relevant Collateral Debt Obligation) 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.

Any guarantee in respect of the obligations of Selling Institutions must satisfy the then current S&P guarantee criteria. 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 contained in the Trust Deed.

Assignments

The Collateral Manager acting on behalf of the Issuer, may from time to time acquire Collateral Debt 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 its control, with any requirements relating to such Assignment set out in the relevant loan documentation for such Collateral Debt 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 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 S&P or Fitch ratings applicable to such counterparty and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Bivariate Risk Table

Long-Term /Short Term Senior Unsecured Debt Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
Fitch		
AAA	20%	20%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
A+	5%	10%
A	5%	5%
A- or below	0%	0%
Long-Term Issuer Credit Rating of Selling Institution	**Individual Third Party Credit Exposure Limit***	**Aggregate Third Party Credit Exposure Limit***
S&P		
AAA	20%	20%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
A+	5%	10%
A	5%	5%
A- or below	0%	0%

*. As a percentage of the Aggregate Collateral Balance (excluding any Defaulted Obligations) the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such Counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

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 Debt Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

Collateral Debt Obligations in respect of which a binding commitment has been made to purchase such Collateral Debt 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 Coverage Tests and the Collateral Quality Tests. Collateral Debt Obligations in respect of which a binding commitment has been made to sell such Collateral Debt Obligations but such sale has not been settled shall nonetheless be deemed to have been sold for the purposes of the Portfolio Profile Tests, the Coverage Tests and the Collateral Quality Tests. See "*Reinvestment of Collateral Debt Obligations*" above.

Notwithstanding the foregoing, the failure of the Portfolio to satisfy the requirements of the Portfolio Profile Tests at any time shall not prevent any obligation which would otherwise be a Collateral Debt Obligation from being a Collateral Debt Obligation.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

(a) not less than 92.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Secured Senior Loans and Secured Senior Bonds (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Loans and Secured Senior Bonds and the Balances standing to the credit of the Principal Account and Unused Proceeds Account and any Eligible Investments which represent Principal Proceeds, in each case as at the relevant Measurement Date and shall exclude any First Lien Last Out Loans);

(b) not less than 70 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Secured Senior Loans (which term, for the purposes of this paragraph (b), shall comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Loans and the Balances standing to the credit

of the Principal Account and Unused Proceeds Account and any Eligible Investments which represent Principal Proceeds, in each case as at the relevant Measurement Date and shall exclude any First Lien Last Out Loans);

(c) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of Collateral Debt Obligations other than Secured Senior Loans and Secured Senior Bonds;

(d) not more than 30 per cent. of the Aggregate Collateral Balance shall consist of Secured Senior Bonds and High Yield Bonds;

(e) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Second Lien Loans and Mezzanine Obligations;

(f) with respect to Secured Senior Loans and Secured Senior Bonds, not more than 2.5 per cent. of the Aggregate Collateral Balance shall be the obligation of any single Obligor, *provided* that the obligations of three Obligors may each represent up to 3 per cent. of the Aggregate Collateral Balance;

(g) with respect to Collateral Debt Obligations other than Secured Senior Loans and Secured Senior Bonds, in aggregate, not more than 1.5 per cent. of the Aggregate Collateral Balance shall be the obligation of any single Obligor;

(h) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Participations;

(i) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of Current Pay Obligations;

(j) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Revolving Obligations or Delayed Drawdown Collateral Debt Obligations;

(k) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Fitch CCC Obligations;

(l) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are S&P CCC Obligations;

(m) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of Bridge Loans;

(n) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Corporate Rescue Loans and not more than 2 per cent. of the Aggregate Collateral Balance shall consist of Corporate Rescue Loans issued by a single Obligor;

(o) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are PIK Obligations;

(p) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of Unhedged Collateral Debt Obligations;

(q) not less than 0 per cent. of the Aggregate Collateral Balance and not more than 15 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Unhedged Fixed Rate Collateral Debt Obligations, or, in relation to a Fitch Test Matrix elected by the Collateral Manager where such Fitch Test Matrix and/or the interpolation between the applicable Fitch Test Matrices applies a maximum percentage of the Aggregate Collateral Balance that can comprise Unhedged Fixed Rate Collateral Debt Obligations, such maximum percentage, if lower, calculated in accordance with the provisions set out in the section of this Offering Circular entitled "*The Portfolio – Portfolio Profile Tests and Collateral Quality Tests – Fitch Test Matrices*";

(r) not more than 12 per cent. of the Aggregate Collateral Balance shall consist of obligations comprising any one S&P Industry Classification Group, *provided* that (i) the largest S&P Industry Classification Group may comprise up to 17.5 per cent. and (ii) the second largest S&P Industry Classification Group may comprise up to 15 per cent., in each case of the Aggregate Collateral Balance;

(s) not more than 20 per cent. of the Aggregate Collateral Balance shall be obligations comprising any one Fitch industry category provided that in respect of the three Fitch industry categories containing the most

Collateral Debt Obligations, measured according to the Principal Balance thereof, not more than 40 per cent. of the Aggregate Collateral Balance may consist of Collateral Debt Obligations whose Obligors belong to one of those Fitch industry categories;

(t) for so long as Fitch assigns a rating in respect of an Outstanding Class of Rated Notes, not more than 10 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are domiciled in countries or jurisdictions with a country ceiling below "AAA" by Fitch unless Rating Agency Confirmation from Fitch is obtained;

(u) for so long as S&P assigns a rating in respect of an Outstanding Class of Rated Notes, not more than 20 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are domiciled in the same country or jurisdiction that is rated below "A-" by S&P unless a Rating Agency Confirmation from S&P is obtained;

(v) the limits set forth in the Bivariate Risk Table determined by reference to the ratings of Selling Institutions shall be satisfied;

(w) not more than 20 per cent. of the Aggregate Collateral Balance shall consist of Non-Euro Obligations;

(x) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of obligations of an Obligor which is a Portfolio Company, for which purpose, loans that are syndicated to an initial lender group of greater than five, shall not be counted as loans to an Obligor which is a Portfolio Company;

(y) not more than 25 per cent. of the Aggregate Collateral Balance shall consist of Cov-Lite Loans;

(z) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Annual Obligations;

(aa) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of obligations issued by Obligors each of which has total current indebtedness (comprising of all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) under its respective loan agreements and other debt instruments (including the Underlying Instruments) of equal to or greater than EUR 150,000,000 but less than EUR 250,000,000 in aggregate principal amount; and

(bb) not more than 2.5% of the Aggregate Collateral Balance shall consist of obligations originated by the Collateral Manager or an Affiliate of the Collateral Manager in respect of Obligors with initial EBITDA of less than (i) for Obligors domiciled in Europe, EUR 40,000,000 and (ii) for Obligors domiciled in the United States, USD 75,000,000 (provided that for the purposes of this calculation, obligations that are syndicated to an initial lender group of greater than three shall not be counted as originated by the Collateral Manager or an Affiliate of the Collateral Manager, except where Collateral Manager Related Persons hold 40 per cent. or more of such obligation).

The percentage requirements applicable to different types of Collateral Debt Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Principal Balance of such type of Collateral Debt Obligations, excluding Defaulted Obligations. Collateral Debt Obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to purchase but have not yet settled shall be included for the purposes of calculating the Portfolio Profile Tests and Collateral Debt Obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to sell but have not yet settled shall be excluded for the purposes of calculating the Portfolio Profile Tests.

"**Unhedged Fixed Rate Collateral Debt Obligation**" means Fixed Rate Collateral Debt Obligations, the Aggregate Principal Balance of which exceeds the notional amount of any Interest Rate Hedge Transactions that are interest rate swaps whereby the Issuer pays a series of fixed amounts in exchange for a series of payments determined on the basis of EURIBOR plus an applicable spread.

Collateral Quality Tests

The Collateral Quality Tests will consist of each of the following:

(a) for so long as any Notes rated by S&P are Outstanding (as of the Effective Date and until the expiry of the Reinvestment Period only), the S&P CDO Monitor Test;

(b) for so long as any Notes rated by Fitch are Outstanding, as of the Effective Date:

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

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

(iii) the Fitch Minimum Weighted Average Spread Test;

(iv) the Fitch Minimum Weighted Average Fixed Coupon Test; and

(v) the Maximum Obligor Concentration Test.

(c) for so long as any of the Rated Notes are Outstanding, the Weighted Average Life Test,

each as defined in the Collateral Management Agreement.

The Principal Balance of Defaulted Obligations shall be excluded for the purposes of calculating the Collateral Quality Tests.

S&P Test Matrix Spread and Coupon

Subject to the provisions provided below, the Collateral Manager has the option to elect which weighted average recovery rate (a "**Recovery Rate Case**") and which applicable weighted average spread (the "**S&P Test Matrix Spread**") and which weighted average coupon (the "**S&P Test Matrix Coupon**", and together with the S&P Test Matrix Spread, the "**S&P Test Matrix Spread and Coupon**") set forth in the matrices to be set out in the Collateral Management and Administration Agreement (substantially in the form set out below) (each a "**S&P Tests Matrix**" and together the "**S&P Tests Matrices**") will be applicable for purposes of the S&P CDO Monitor.

After the Issue Date, the Collateral Manager may request for S&P to provide S&P CDO input files ("**S&P CDO Input Files**") for up to 10,000 combinations of S&P Test Matrix Spreads and Coupons and Recovery Rate Cases. On two Business Days' written notice to the Collateral Administrator (or such shorter time as may be acceptable to the Collateral Administrator), the Collateral Manager may choose a different Recovery Rate Case or a different S&P Test Matrix Spread and Coupon (or both); *provided* that the Collateral Debt Obligations must be in compliance with such different Recovery Rate Case and the S&P Test Matrix Spread and Coupon, as applicable, and, solely for purposes of this proviso, if the Issuer has entered into a binding commitment to invest in a Collateral Debt Obligation, compliance with the newly selected Recovery Rate Case and the S&P Test Matrix Spread and Coupon, as applicable, may be determined after giving effect to such investment.

Notwithstanding the foregoing, if the Collateral Debt Obligations are not currently in compliance with the Recovery Rate Case and the S&P Test Matrix Spread and Coupon then applicable and would not be in compliance with any other Recovery Rate Case or S&P Test Matrix Spread and Coupon, as applicable, the Collateral Manager may select a different Recovery Rate Case or a different S&P Test Matrix Spread and Coupon (or both), as applicable, that is not further out of compliance than the current Recovery Rate Case and the S&P Test Matrix Spread and Coupon, as applicable. In the event the Collateral Manager fails to choose (A) a Recovery Rate Case prior to the Effective Date, the following will apply: 34.48 per cent., or, if lower, the highest percentage consistent with the weighted average recovery rate of the Collateral Debt Obligations as of the Effective Date, or (B) an S&P Test Matrix Spread and Coupon prior to the Effective Date, an S&P Test Matrix Spread of 3.70 per cent., or if lower, the Weighted Average Floating Spread as of the Effective Date, and an S&P Test Matrix Coupon of 4.00 per cent., or if lower, the Weighted Average Coupon as of the Effective Date, will apply.

The S&P CDO Monitor Test

The "**S&P CDO Monitor Test**" will be satisfied on any date of determination on or after the Effective Date and during the Reinvestment Period if, after giving effect to the purchase of any additional Collateral Debt Obligation, (a) during any S&P CDO Model Election Period, the Class Default Differential of the Proposed Portfolio is positive and (b) during any S&P CDO Formula Election Period, the S&P CDO Monitor Adjusted BDR is equal to or greater than the S&P CDO Monitor SDR. The S&P CDO Monitor Test shall only be applicable to the junior-most Class of Notes rated "AAA(sf)" by S&P at the Issue Date.

"**S&P CDO Model Election Period**" means any date on and after an S&P CDO Model Election Date so long as no S&P CDO Formula Election Date has occurred since such S&P CDO Model Election Date.

"**S&P CDO Model Election Date**" means the date designated by the Collateral Manager upon at least five Business Days' prior written notice to S&P, the Trustee and the Collateral Administrator as the date on which the Issuer will begin to utilise the S&P CDO Monitor; *provided* that an S&P CDO Model Election Date may only occur once.

"**S&P CDO Formula Election Period**" means (i) the period from the Effective Date until the occurrence of an S&P CDO Model Election Date and (ii) thereafter any date on and after an S&P CDO Formula Election Date so long as no S&P CDO Model Election Date has occurred since such S&P CDO Formula Election Date.

"**S&P CDO Formula Election Date**" means the date designated by the Collateral Manager upon prior written notice to S&P, the Trustee and the Collateral Administrator as the date on which the Issuer will begin to utilise the S&P CDO Monitor Adjusted BDR; *provided* that an S&P CDO Formula Election Date may only occur once.

The "**Class Default Differential**" is, at any time, the rate calculated by subtracting the Class Scenario Default Rate at such time from the Class Break-Even Default Rate at such time.

The "**Class Scenario Default Rate**" is, at any time, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with an assumed S&P Rating of "AAA", determined by application by the Collateral Manager of the S&P CDO Monitor at such time.

The "**Class Break-Even Default Rate**" is the maximum percentage of defaults, at any time, which the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined by S&P through application of the S&P CDO Monitor chosen by the Collateral Manager in accordance with the definition of "S&P Test Matrix Spread and Coupon" that is applicable to the portfolio of Collateral Debt Obligations, which, after giving effect to S&P's assumptions on recoveries, defaults and timing (consistent with an assumed S&P Rating of "AAA") and to the Priorities of Payment, will result in sufficient funds remaining for the payment of the Class A Notes in full. After the Effective Date, S&P will provide the Collateral Manager with the Class Break-Even Default Rates for each S&P CDO Monitor based upon the Recovery Rate Case, S&P Test Matrix Spread and Coupon to be associated with such S&P CDO Monitor, as selected by the Collateral Manager (with a copy to the Collateral Administrator) as set out in the Collateral Management Agreement, or any other Recovery Rate Case or S&P Test Matrix Spread and Coupon selected by the Collateral Manager from time to time.

"**S&P CDO Monitor**" means the model that is currently available at www.sp.sfproducttools.com. The inputs to the S&P CDO Monitor shall be chosen by the Collateral Manager and include either (x) an S&P Weighted Average Recovery Rate and a Weighted Average Floating Spread from Annex B (*S&P Recovery Rates*) or (y) an S&P Weighted Average Recovery Rate and a Weighted Average Floating Spread confirmed in writing by S&P; *provided* that as of the date such inputs to the S&P CDO Monitor are selected, the S&P Weighted Average Recovery Rate equals or exceeds the S&P Weighted Average Recovery Rate for such Class chosen by the Collateral Manager and the Weighted Average Floating Spread equals or exceeds the Weighted Average Floating Spread chosen by the Collateral Manager. In calculating the scenario default rate, the S&P CDO Monitor considers each Obligor's issuer credit rating, the number of Obligors in the portfolio, the Obligor and industry concentrations in the portfolio and the remaining weighted average maturity of the Collateral Debt Obligations and Eligible Investments and calculates a cumulative default rate based on the statistical probability of distributions or defaults on the Collateral Debt Obligations and Eligible Investments.

The "**Current Portfolio**" means, as of any date of determination, the portfolio of Collateral Debt Obligations (included at their Principal Balance, *provided* that in respect of Mezzanine Obligations, the Principal Balance shall exclude all accrued interest including any interest accrued following the date of acquisition thereof) and Eligible Investments existing prior to the sale, maturity or other disposition of a Collateral Debt Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Debt Obligation, as the case may be.

The "**Proposed Portfolio**" means, as of any date of determination, the portfolio of Collateral Debt Obligations (included at their Principal Balance, *provided* that in respect of Mezzanine Obligations, the Principal Balance shall exclude all accrued interest including any interest accrued following the date of acquisition thereof) and Eligible Investments resulting from the sale, maturity or other disposition of a Collateral Debt Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Debt Obligation, as the case may be.

The "**S&P CDO Monitor Adjusted BDR**" means the threshold value for the S&P CDO Monitor Test, calculated as a percentage by adjusting the S&P CDO Monitor BDR for changes in the Principal Balance of the Collateral Debt Obligations relative to the Target Par Amount as follows (or such other published formula by S&P that the Collateral Manager provides to the Collateral Administrator):

S&P CDO Monitor BDR * (OP / NP) + (NP - OP) / (NP * (1 – S&P Weighted Average Recovery Rate for the junior-most Class of Notes rated "AAA(sf)" by S&P at the Issue Date))

Where:

OP = Target Par Amount

NP = the aggregate of:

(i) Aggregate Principal Balances of the S&P CLO Specified Assets;

(ii) Principal Proceeds; and

(iii) in respect of each obligation other than S&P CLO Specified Assets, the product of the lower of (a) the S&P Recovery Rate and (b) it Market Value, and the Principal Balance of the relevant obligation.

The "**S&P CDO Monitor BDR**" means the value calculated using the formula provided by S&P at the Issue Date:

S&P CDO Monitor BDR = C0 + (C1 * S&P Weighted Average Spread) + (C2 * S&P Weighted Average Recovery Rate).

C0, C1 and C2 will not change unless S&P provides an updated S&P CDO Monitor Input File at the request of the Collateral Manager following the Issue Date. As at the Issue Date, C0, C1 and C2 have the following values: C0 = 0.213598935436814; C1 = 3.44271135594127 and C2 = 0.992368074655727.

The "**S&P Weighted Average Spread**" means the aggregate of:

(a) the Weighted Average Floating Spread (*provided* that the Weighted Average Floating Spread for such purpose shall be determined, where EURIBOR (or such other floating rate of interest specified in and calculated in accordance with the relevant Underlying Instrument) is less than zero, using a EURIBOR Floor Adjustment assuming that EURIBOR (or such other floating rate of interest specified in and calculated in accordance with the relevant Underlying Instrument) were equal to zero); plus

(b) the Excess Weighted Average Coupon.

The "**S&P CDO Monitor Input File**" means the file provided to the Collateral Manager or the Collateral Administrator by S&P setting out any new S&P CDO Monitor BDR coefficients applicable after the Issue Date.

The "**S&P CDO Monitor SDR**" means the percentage derived from the following equation (or such other published formula by S&P that the Collateral Manager provides to the Collateral Administrator):

0.247621 + (SPWARF/9162.65) – (DRD/16757.2) – (ODM/7677.8) – (IDM/2177.56) – (RDM/34.0948) + (WAL/27.3896)

Where:

Term	Meaning
SPWARF	S&P Weighted Average Rating Factor
DRD	S&P Default Rate Dispersion
ODM	S&P Obligor Diversity Measure
IDM	S&P Industry Diversity Measure
RDM	S&P Regional Diversity Measure
WAL	S&P Weighted Average Life

The "**S&P CLO Specified Assets**" means each Collateral Debt Obligation with an S&P Rating equal to or higher than "CCC-".

The "**S&P Default Rate Dispersion**" means the value calculated by the Collateral Manager by multiplying the Principal Balance for each S&P CLO Specified Asset by the absolute value of the difference between the S&P Global Ratings Factor for such S&P CLO Specified Asset and the S&P Weighted Average Rating Factor, then summing the results for all S&P CLO Specified Assets and dividing this amount by the Aggregate Principal Balance of the S&P CLO Specified Assets.

"**S&P Global Ratings Factor**" means, for each S&P CLO Specified Asset, the five year asset default S&P Rating given to that S&P CLO Specified Asset as contained in the default table in S&P's Corporate CDO Criteria (see below as currently published by S&P on 21 June 2019 in "Global Methodology And Assumptions For CLOs And Corporate CDOs", or such other published table by S&P that the Collateral Manager provides to the Collateral Administrator) multiplied by 10,000.

S&P Rating	Industry Diversity Score
AAA	13.51
AA+	26.75
AA	46.36
AA-	63.90
A+	99.50
A	146.35
A-	199.83
BBB+	271.01
BBB	361.17
BBB-	540.42
BB+	784.92
BB	1233.63
BB-	1565.44
B+	1982.00
B	2859.50
B-	3610.11
CCC+	4641.40
CCC	5293.00
CCC-	5751.00
CC	10000.00
SD	10000.00
D	10000.00

"**S&P Industry Diversity Measure**" means a measure calculated by determining the Aggregate Principal Balance of the S&P CLO Specified Assets within each S&P Industry Classification Group in the portfolio, then dividing each of these amounts by the Aggregate Principal Balance of the S&P CLO Specified Assets from all the S&P Industry Classification Groups in the portfolio, then squaring the result for each industry, and then taking the reciprocal of the sum of these squares.

"**S&P Obligor Diversity Measure**" means a measure calculated by determining the Aggregate Principal Balance of the S&P CLO Specified Assets from each Obligor and its affiliates, then dividing each such Aggregate Principal Balance by the Aggregate Principal Balance of all S&P CLO Specified Assets from all the Obligors in the Portfolio, then squaring the result for each Obligor, then taking the reciprocal of the sum of these squares.

"**S&P Regional Diversity Measure**" means a measure calculated by determining the Aggregate Principal Balance of the S&P CLO Specified Assets within each S&P region set forth in Annex C (S*&P Regional Diversity Measure Table*) of this Offering Circular, then dividing each of these amounts by the Aggregate Principal Balance of all S&P CLO Specified Assets from all S&P regions in the portfolio, squaring the result for each region, then taking the reciprocal of the sum of these squares.

"**S&P Recovery Rate**" means, in respect of each Collateral Debt Obligation and each Class of Rated Notes, an S&P Recovery Rate determined in accordance with the Collateral Management Agreement or as advised by S&P. Extracts of the S&P Recovery Rate applicable under the Collateral Management Agreement as at the Issue Date are set out in Annex B (*S&P Recovery Rates*) of this Offering Circular.

"**S&P Weighted Average Life**" means the value calculated by determining the number of years between the current date and the maturity date of each S&P CLO Specified Asset, then multiplying each S&P CLO Specified Asset's Principal Balance by its number of years, and then summing the results of all S&P CLO Specified Assets, and dividing this amount by the Aggregate Principal Balance of all S&P CLO Specified Assets.

"**S&P Weighted Average Rating Factor**" means, the value calculated by multiplying the Principal Balance for each S&P CLO Specified Asset by its S&P Global Rating Factor, then summing the results of all S&P CLO Specified Assets, and then dividing this result by the Aggregate Principal Balance of all S&P CLO Specified Assets.

"**S&P Weighted Average 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 (excluding

Purchased Accrued Interest) of each Collateral Debt Obligation by its S&P Recovery Rate, dividing such sum by the Aggregate Principal Balance of all Collateral Debt Obligations and rounding up to the nearest 0.1 per cent. For purposes of this rate, the Principal Balance of any Defaulted Obligation shall be deemed to be zero.

The Fitch Test Matrices

Subject to the provisions provided below the Collateral Manager will have the option to elect (i) on the Effective Date, which of the cases set forth in the matrices set out below under the title "Effective Date Fitch Test Matrices" (the "**Effective Date Fitch Test Matrices**") and the matrices set out below under the title "Post Effective Date Fitch Test Matrices" (the "**Post Effective Date Fitch Test Matrices**", the Effective Date Fitch Test Matrices and the Post Effective Date Fitch Test Matrices together, the "**Fitch Test Matrices**" and each a "**Fitch Test Matrix**") and (ii) after the Effective Date, which of the cases set forth in the Post Effective Date Fitch Test Matrices shall be applicable for the purposes of the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Fitch Minimum Weighted Average Spread Test, the Fitch Minimum Weighted Average Fixed Coupon Test, the Weighted Average Life Test (on the Effective Date only) and the Maximum Obligor Concentration Test.

For any given case within a Fitch Test Matrix:

(a) the percentage of the Aggregate Collateral Balance consisting of Unhedged Fixed Rate Collateral Debt Obligations as of such Measurement Date is less than or equal to the maximum percentage of Unhedged Fixed Rate Collateral Debt Obligations specified in such Fitch Test Matrix;

(b) the percentage of the largest ten Obligors represented in the Collateral Debt Obligations by Principal Balance as of such Measurement Date is less than or equal to the maximum percentage of the largest ten Obligors specified in such Fitch Test Matrix;

(c) on the Effective Date only, the Weighted Average Life is less than or equal to the number of years (rounded up to the nearest one-hundredth thereof) from such Measurement Date to the date specified in such Effective Date Fitch Test Matrix;

(d) the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column (or linear interpolation between two adjacent columns in a given matrix and/or two columns (or interpolated columns) in adjacent matrix, as applicable) in the Fitch Test Matrix (or adjacent matrices in the case of an interpolation) selected by the Collateral Manager;

(e) the applicable row for performing the Fitch Minimum Weighted Average Spread Test and the Fitch Minimum Weighted Average Fixed Coupon Test will be the row (or linear interpolation between two adjacent rows in a given matrix and/or two rows (or interpolated rows) in adjacent matrices, as applicable) in the Fitch Test Matrix (or adjacent matrices in the case of an interpolation) selected by the Collateral Manager;

(f) the applicable column and row for performing the Fitch Minimum Weighted Average Recovery Rate Test will be the row and column (or linear interpolation between two adjacent rows and/or two adjacent columns in a given matrix and/or two rows and/or columns (or interpolated rows and/or columns) in adjacent matrices, as applicable) in the Fitch Test Matrix (or adjacent matrices in the case of an interpolation) selected by the Collateral Manager; and

(g) the applicable matrix for performing the Maximum Obligor Concentration Test will be the Fitch Test Matrix (or adjacent matrices in the case of an interpolation) selected by the Collateral Manager.

On the Effective Date, the Collateral Manager will be required to elect which case and which Effective Date Fitch Test Matrix shall apply on the Effective Date. Thereafter on one Business Days' notice (which may be given by way of email) to the Issuer, the Trustee, the Collateral Administrator and Fitch, the Collateral Manager (i) shall, on the Business Day following the Effective Date, elect which case and Post Effective Date Fitch Test Matrix set out below shall apply initially and (ii) at any time thereafter may elect to have a different case apply, in each case *provided* that (A) after the Effective Date the Collateral Manager may only elect a Post Effective Date Fitch Test Matrix and (B) the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Fitch Minimum Weighted Average Spread Test, the Fitch Minimum Weighted Average Fixed Coupon Test, the Maximum Obligor Concentration Test and the concentration limits for Unhedged Fixed Rate Collateral Debt Obligations and the top ten largest Obligors 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 Matrices may be amended and/or supplemented and/or replaced by the Collateral Manager subject to (i) notification of such changes being provided by Fitch (which notification may be given by way of email) and (ii) confirmation from Fitch that the proposed modification or amendment will not affect the current rating of the Notes (which may be provided by way of email) and may be updated or switched by the Collateral Manager as advised by Fitch upon notification to the Collateral Administrator (which may be by way of email).

Other than as stated in the immediately prior paragraph, in no event will the Collateral Manager be obliged to elect to have a different Fitch Test Matrix, or case set forth in such Fitch Test Matrix, apply.

For the avoidance of doubt, including as specified above, the Collateral Manager may elect to interpolate between the Fitch Test Matrices with respect to (i) the largest ten Obligors represented in the Collateral Debt Obligations by Principal Balance, (ii) the percentage of the Aggregate Collateral Balance which consists of Unhedged Fixed Rate Collateral Debt Obligations and (iii) on the Effective Date only, the applicable specified date in respect of the Weighted Average Life.

Effective Date Fitch Test Matrices

Top 10 Obligors limited at 26.5% - Maximum 0% Fixed Rate Collateral Debt Obligations – Weighted Average Life at 17 May 2026

Points correspond to Minimum Weighted Average Recovery Rates

		Maximum Weighted Average Rating Factor								
Minimum Weighted Average Spread (%)	**Minimum Weighted Average Fixed Coupon (%)**	32	33	34	35	36	37	38	39	40
3.40	4.0	57.80%	59.20%	60.50%	61.70%	62.90%	64.00%	65.10%	66.30%	67.30%
3.60	4.0	56.40%	58.00%	59.40%	60.70%	61.90%	63.00%	64.10%	65.20%	66.30%
3.80	4.0	55.10%	56.60%	58.10%	59.60%	60.90%	62.00%	63.20%	64.20%	65.30%
4.00	4.0	53.80%	55.40%	56.90%	58.30%	59.80%	61.00%	62.20%	63.30%	64.40%
4.20	4.0	52.40%	54.00%	55.60%	57.10%	58.60%	60.00%	61.20%	62.40%	63.50%
4.40	4.0	51.00%	52.70%	54.30%	55.90%	57.40%	58.80%	60.20%	61.40%	62.50%
4.60	4.0	49.60%	51.30%	53.00%	54.70%	56.20%	57.60%	59.10%	60.40%	61.50%

Top 10 Obligors limited at 26.5% - Maximum 15% Fixed Rate Collateral Debt Obligations – Weighted Average Life at 17 May 2026

Points correspond to Minimum Weighted Average Recovery Rates

		Maximum Weighted Average Rating Factor								
Minimum Weighted Average Spread (%)	**Minimum Weighted Average Fixed Coupon (%)**	32	33	34	35	36	37	38	39	40
3.40	4.0	57.80%	59.20%	60.50%	61.70%	62.90%	64.00%	65.30%	66.60%	67.80%
3.60	4.0	56.40%	58.00%	59.40%	60.70%	61.90%	63.00%	64.30%	65.60%	66.90%
3.80	4.0	55.10%	56.60%	58.10%	59.60%	60.90%	62.10%	63.40%	64.70%	65.90%
4.00	4.0	53.80%	55.40%	56.90%	58.40%	59.80%	61.20%	62.50%	63.80%	65.00%
4.20	4.0	52.60%	54.30%	55.80%	57.30%	58.80%	60.30%	61.70%	63.00%	64.20%
4.40	4.0	51.40%	53.10%	54.70%	56.30%	57.70%	59.30%	60.80%	62.10%	63.40%
4.60	4.0	50.20%	52.00%	53.60%	55.20%	56.70%	58.20%	59.80%	61.20%	62.50%

Top 10 Obligors limited at 15% - Maximum 0% Fixed Rate Collateral Debt Obligations – Weighted Average Life at 17 May 2026

Points correspond to Minimum Weighted Average Recovery Rates

		Maximum Weighted Average Rating Factor								
Minimum Weighted Average Spread (%)	**Minimum Weighted Average Fixed Coupon (%)**	32	33	34	35	36	37	38	39	40
3.40	4.0	56.30%	57.80%	59.20%	60.50%	61.70%	63.00%	64.10%	65.10%	66.30%
3.60	4.0	54.90%	56.40%	58.00%	59.40%	60.70%	61.90%	63.00%	64.10%	65.20%
3.80	4.0	53.50%	55.10%	56.60%	58.10%	59.60%	60.90%	62.00%	63.20%	64.20%
4.00	4.0	52.10%	53.80%	55.40%	56.90%	58.30%	59.80%	61.00%	62.20%	63.30%
4.20	4.0	50.60%	52.40%	54.00%	55.60%	57.10%	58.60%	60.00%	61.20%	62.40%
4.40	4.0	49.30%	51.00%	52.70%	54.30%	55.90%	57.40%	58.80%	60.20%	61.40%
4.60	4.0	48.00%	49.60%	51.30%	53.00%	54.70%	56.20%	57.60%	59.10%	60.40%

Top 10 Obligors limited at 15% - Maximum 15% Fixed Rate Collateral Debt Obligations – Weighted Average Life at 17 May 2026

Points correspond to Minimum Weighted Average Recovery Rates

		Maximum Weighted Average Rating Factor								
Minimum Weighted Average Spread (%)	**Minimum Weighted Average Fixed Coupon (%)**	32	33	34	35	36	37	38	39	40
3.40	4.0	56.30%	57.80%	59.20%	60.50%	61.70%	63.00%	64.10%	65.30%	66.60%
3.60	4.0	54.90%	56.40%	58.00%	59.40%	60.70%	61.90%	63.00%	64.30%	65.60%
3.80	4.0	53.50%	55.10%	56.60%	58.10%	59.60%	60.90%	62.10%	63.40%	64.70%
4.00	4.0	52.10%	53.80%	55.40%	56.90%	58.40%	59.80%	61.20%	62.50%	63.80%
4.20	4.0	50.90%	52.60%	54.30%	55.80%	57.30%	58.80%	60.30%	61.70%	63.00%
4.40	4.0	49.70%	51.40%	53.10%	54.70%	56.30%	57.70%	59.30%	60.80%	62.10%
4.60	4.0	48.60%	50.20%	52.00%	53.60%	55.20%	56.70%	58.20%	59.80%	61.20%

Post Effective Date Fitch Test Matrices

Top 10 Obligors limited at 15% - Maximum 0% Fixed Rate Collateral Debt Obligations – Weighted Average Life at 17 August 2027

Points correspond to Minimum Weighted Average Recovery Rates

		Maximum Weighted Average Rating Factor										
Minimum Weighted Average Spread (%)	**Minimum Weighted Average Fixed Coupon (%)**	30	31	32	33	34	35	36	37	38	39	40
2.40	4.0	69.70%	70.90%	72.10%	73.20%	74.30%	75.20%	77.10%	NA	NA	NA	NA
2.60	4.0	66.00%	67.30%	68.60%	69.70%	70.90%	72.00%	73.00%	74.00%	75.00%	75.80%	76.50%
2.80	4.0	62.60%	64.00%	65.30%	66.60%	67.80%	68.90%	70.00%	71.00%	72.10%	73.10%	74.00%
3.00	4.0	60.90%	62.30%	63.40%	64.30%	65.50%	66.70%	67.60%	68.40%	69.30%	70.30%	71.30%
3.20	4.0	58.70%	60.10%	61.50%	62.50%	63.40%	64.60%	65.60%	66.50%	67.40%	68.30%	69.10%
3.40	4.0	56.30%	57.60%	59.00%	60.30%	61.30%	62.30%	63.40%	64.30%	65.30%	66.50%	67.50%
3.60	4.0	54.10%	55.60%	57.00%	58.30%	59.60%	60.90%	62.00%	63.10%	64.20%	65.20%	66.40%
3.80	4.0	52.60%	54.20%	55.70%	57.00%	58.30%	59.60%	60.80%	62.00%	63.10%	64.20%	65.30%
4.00	4.0	51.10%	52.70%	54.30%	55.70%	57.00%	58.30%	59.50%	60.80%	61.90%	63.10%	64.30%
4.20	4.0	49.30%	50.90%	52.60%	54.20%	55.70%	57.00%	58.30%	59.50%	60.80%	61.90%	63.10%
4.40	4.0	47.80%	49.40%	50.90%	52.50%	54.10%	55.50%	56.90%	58.20%	59.50%	60.80%	61.90%
4.60	4.0	46.40%	47.90%	49.40%	51.00%	52.60%	54.10%	55.50%	56.90%	58.40%	59.70%	61.00%
4.80	4.0	44.90%	46.50%	48.10%	49.50%	51.10%	52.60%	54.20%	55.70%	57.20%	58.50%	59.90%
5.00	4.0	43.40%	45.10%	46.70%	48.20%	49.60%	51.20%	52.90%	54.50%	56.00%	57.40%	58.80%
5.20	4.0	41.90%	43.60%	45.20%	46.80%	48.40%	49.90%	51.60%	53.20%	54.80%	56.30%	57.70%

Top 10 Obligors limited at 15% - Maximum 15% Fixed Rate Collateral Debt Obligations – Weighted Average Life at 17 August 2027

Points correspond to Minimum Weighted Average Recovery Rates

		Maximum Weighted Average Rating Factor										
Minimum Weighted Average Spread (%)	**Minimum Weighted Average Fixed Coupon (%)**	30	31	32	33	34	35	36	37	38	39	40
2.40	4.0	69.70%	70.90%	72.10%	73.20%	74.30%	75.20%	77.10%	NA	NA	NA	NA
2.60	4.0	66.00%	67.30%	68.60%	69.70%	70.90%	72.00%	73.00%	74.00%	75.00%	75.80%	76.50%
2.80	4.0	62.60%	64.00%	65.30%	66.60%	67.80%	68.90%	70.00%	71.00%	72.10%	73.10%	74.00%
3.00	4.0	60.90%	62.30%	63.40%	64.30%	65.50%	66.70%	67.60%	68.50%	69.60%	70.60%	71.70%
3.20	4.0	58.70%	60.10%	61.50%	62.50%	63.40%	64.60%	65.60%	66.60%	67.80%	68.90%	69.90%
3.40	4.0	56.30%	57.60%	59.00%	60.30%	61.30%	62.30%	63.50%	64.80%	66.00%	67.10%	68.20%
3.60	4.0	54.10%	55.60%	57.00%	58.30%	59.60%	60.90%	62.00%	63.20%	64.40%	65.70%	67.00%
3.80	4.0	52.60%	54.20%	55.70%	57.10%	58.50%	59.80%	61.00%	62.10%	63.40%	64.70%	66.10%
4.00	4.0	51.10%	52.90%	54.50%	56.00%	57.40%	58.80%	60.10%	61.20%	62.40%	63.80%	65.10%
4.20	4.0	49.60%	51.40%	53.10%	54.80%	56.40%	57.70%	59.10%	60.30%	61.50%	62.90%	64.20%
4.40	4.0	48.30%	49.90%	51.60%	53.40%	55.00%	56.50%	58.00%	59.30%	60.50%	61.90%	63.20%
4.60	4.0	47.10%	48.60%	50.20%	52.00%	53.70%	55.20%	56.70%	58.10%	59.40%	60.90%	62.30%
4.80	4.0	45.80%	47.40%	49.00%	50.60%	52.30%	54.00%	55.50%	56.90%	58.30%	59.90%	61.40%
5.00	4.0	44.60%	46.20%	47.80%	49.40%	51.00%	52.70%	54.30%	55.80%	57.20%	58.90%	60.40%
5.20	4.0	43.30%	44.90%	46.60%	48.20%	49.80%	51.40%	53.10%	54.60%	56.20%	57.80%	59.50%

Top 10 Obligors limited at 26.5% - Maximum 0% Fixed Rate Collateral Debt Obligations – Weighted Average Life at 17 August 2027

Points correspond to Minimum Weighted Average Recovery Rates

		Maximum Weighted Average Rating Factor										
Minimum Weighted Average Spread (%)	**Minimum Weighted Average Fixed Coupon (%)**	30	31	32	33	34	35	36	37	38	39	40
2.40	4.0	70.30%	71.50%	72.70%	73.70%	74.80%	81.50%	NA	NA	NA	NA	NA
2.60	4.0	66.70%	68.00%	69.20%	70.30%	71.40%	72.50%	73.50%	74.50%	75.40%	76.20%	76.90%
2.80	4.0	63.30%	64.60%	65.90%	67.20%	68.30%	69.40%	70.50%	71.60%	72.60%	73.50%	74.40%
3.00	4.0	61.60%	62.90%	63.80%	64.90%	66.10%	67.20%	68.00%	68.80%	69.80%	70.80%	71.80%
3.20	4.0	59.30%	60.80%	62.00%	62.90%	64.00%	65.20%	66.10%	66.90%	68.00%	69.10%	70.20%
3.40	4.0	56.90%	58.20%	59.80%	60.90%	62.10%	63.30%	64.50%	65.80%	66.90%	68.10%	69.20%
3.60	4.0	55.40%	56.80%	58.20%	59.60%	60.90%	62.10%	63.40%	64.60%	65.80%	67.00%	68.10%
3.80	4.0	53.90%	55.40%	56.80%	58.20%	59.60%	61.00%	62.30%	63.50%	64.70%	65.90%	67.10%
4.00	4.0	52.40%	54.00%	55.40%	56.80%	58.20%	59.80%	61.10%	62.40%	63.70%	64.90%	66.00%
4.20	4.0	50.60%	52.30%	53.90%	55.40%	56.80%	58.40%	59.90%	61.20%	62.50%	63.70%	64.90%
4.40	4.0	49.10%	50.60%	52.20%	53.80%	55.40%	57.00%	58.50%	60.00%	61.30%	62.60%	63.80%
4.60	4.0	47.60%	49.10%	50.60%	52.30%	53.90%	55.60%	57.20%	58.80%	60.30%	61.60%	62.80%
4.80	4.0	46.20%	47.80%	49.30%	51.00%	52.70%	54.40%	56.00%	57.50%	59.10%	60.50%	61.80%
5.00	4.0	44.70%	46.40%	48.00%	49.70%	51.40%	53.10%	54.70%	56.30%	57.80%	59.30%	60.70%
5.20	4.0	43.20%	45.10%	46.80%	48.40%	50.00%	51.70%	53.30%	54.90%	56.50%	58.00%	59.50%

Top 10 Obligors limited at 26.5% - Maximum 15% Fixed Rate Collateral Debt Obligations – Weighted Average Life at 17 August 2027

Points correspond to Minimum Weighted Average Recovery Rates

		Maximum Weighted Average Rating Factor										
Minimum Weighted Average Spread (%)	**Minimum Weighted Average Fixed Coupon (%)**	30	31	32	33	34	35	36	37	38	39	40
2.40	4.0	70.30%	71.50%	72.70%	73.70%	74.80%	81.50%	NA	NA	NA	NA	NA
2.60	4.0	66.70%	68.00%	69.20%	70.30%	71.40%	72.50%	73.50%	74.50%	75.40%	76.20%	76.90%
2.80	4.0	63.30%	64.60%	65.90%	67.20%	68.30%	69.40%	70.50%	71.60%	72.60%	73.50%	74.40%
3.00	4.0	61.60%	62.90%	63.80%	64.90%	66.10%	67.20%	68.00%	69.00%	70.10%	71.10%	72.20%
3.20	4.0	59.30%	60.80%	62.00%	62.90%	64.00%	65.20%	66.10%	67.20%	68.30%	69.40%	70.50%
3.40	4.0	56.90%	58.20%	59.80%	60.90%	62.10%	63.30%	64.50%	65.80%	66.90%	68.10%	69.30%
3.60	4.0	55.40%	56.80%	58.20%	59.60%	60.90%	62.10%	63.40%	64.60%	65.80%	67.00%	68.30%
3.80	4.0	53.90%	55.40%	56.90%	58.20%	59.60%	61.00%	62.30%	63.50%	64.70%	66.10%	67.40%
4.00	4.0	52.50%	54.20%	55.70%	57.20%	58.50%	59.80%	61.10%	62.40%	63.80%	65.10%	66.40%
4.20	4.0	51.00%	52.80%	54.50%	56.10%	57.50%	58.80%	60.10%	61.50%	62.90%	64.20%	65.50%
4.40	4.0	49.50%	51.30%	53.00%	54.70%	56.20%	57.70%	59.00%	60.40%	61.90%	63.20%	64.50%
4.60	4.0	48.30%	49.90%	51.60%	53.30%	54.90%	56.40%	57.80%	59.30%	60.90%	62.30%	63.60%
4.80	4.0	47.10%	48.70%	50.20%	52.00%	53.70%	55.20%	56.80%	58.30%	59.90%	61.40%	62.70%
5.00	4.0	45.90%	47.50%	49.10%	50.70%	52.40%	54.00%	55.60%	57.30%	58.90%	60.40%	61.80%
5.20	4.0	44.60%	46.30%	47.90%	49.50%	51.30%	52.90%	54.60%	56.20%	57.80%	59.50%	60.90%

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 Debt Obligation, excluding Defaulted Obligations, by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Debt Obligations, excluding Defaulted Obligations, and rounding the result to the nearest two decimal places.

"**Fitch Rating Factor**" means, in respect of any Collateral Debt Obligation, the number set forth in the table below opposite the Fitch Rating in respect of such Collateral Debt 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 Debt Obligation, excluding Defaulted Obligations, by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Collateral Debt Obligations, excluding Defaulted Obligations, and rounding to the nearest 0.1 per cent.

"**Fitch Recovery Rate**" means, with respect to a Collateral Debt Obligation, the recovery rate determined in accordance with paragraphs (a) to (b) below or (in any case) such other recovery rate as Fitch may notify the Collateral Manager from time to time:

(a) if such Collateral Debt 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%

and

(b) if such Collateral Debt Obligation (i) has no public Fitch recovery rating and (ii) neither a recovery rating nor an obligation's specific recovery rate is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager, if such Collateral Debt Obligation is a Secured Senior Bond, the recovery rate corresponding to the Fitch recovery rating "RR3" in the table above and, otherwise, the recovery rate determined in accordance with the table below, where the Collateral Debt Obligation shall be categorised as "Strong Recovery" if it is a Secured Senior Loan, "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 1	Group 2	Group 3
Strong Recovery	80	70	35
Moderate Recovery.....	45	45	25
Weak Recovery	20	20	5

The country group of a Collateral Debt Obligation shall be determined, by reference to the country where the Obligor thereof is Domiciled, in accordance with the below:

Group 1: Australia, Bermuda, Canada, Cayman Islands, New Zealand, Puerto Rico, United States.

Group 2: Austria, Barbados, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Jersey, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom.

Group 3: Albania, Argentina, Asia Others, Bahamas, Bosnia and Herzegovina, Brazil, Bulgaria, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Dominican Republic, Eastern Europe Others, Ecuador, Egypt, El Salvador, Greece, Guatemala, Hungary, India, Indonesia, Iran, Jamaica, Kazakhstan, Liberia, Macedonia, Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Middle East and North Africa Others, Moldova, Morocco, Other Central America, Other South America, Other Sub Saharan Africa, Pakistan, Panama, Peru, Philippines, Qatar, Romania, Russia, Saudi Arabia, Serbia and Montenegro, South Africa, Thailand, Tunisia, Turkey, Ukraine, Uruguay, Venezuela, Vietnam.

The Fitch Minimum Weighted Average Spread Test

The "**Fitch Minimum Weighted Average Spread Test**" means the test which 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 equals or exceeds the Fitch Minimum Weighted Average Spread, in each case, as at such Measurement Date.

"**Fitch Minimum Weighted Average Spread**" means the weighted average spread (expressed as a percentage) applicable to the current Fitch Test Matrix selected by the Collateral Manager.

The Fitch Minimum Weighted Average Fixed Coupon Test

The "**Fitch Minimum Weighted Average Fixed Coupon Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date, the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Fitch Minimum Weighted Average Fixed Coupon, in each case as at such Measurement Date.

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 Debt Obligations as of such Measurement Date,

(A) in each case, excluding (i) Defaulted Obligations; (ii) for any Mezzanine Obligation and for any Deferring Obligation, any interest that has been deferred and capitalised thereon; and (iii) the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations and (B) in each case, adjusted for any withholding tax deducted in respect of any relevant Collateral Debt Obligation which is neither grossed up nor recoverable under any applicable double tax treaty or otherwise.

The "**Aggregate Coupon**" is, as of any Measurement Date, the sum of:

(a) with respect to any Fixed Rate Collateral Debt Obligation which is a Non-Euro Obligation and subject to an Asset Swap Transaction (including only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations), the product of (x) the stated coupon on such Non-Euro Obligation expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation;

(b) with respect to any Fixed Rate Collateral Debt Obligation which is a Non-Euro Obligation which is not subject to an Asset Swap Transaction (including only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations), an amount equal to the Euro equivalent of, the product of (x) 85 per cent. of the stated *per annum* coupon on such Collateral Debt Obligation expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation converted into Euro at the applicable Spot Rate; and

(c) with respect to all other Fixed Rate Collateral Debt Obligations (and excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations), the sum of the products obtained by multiplying, in the case of each Fixed Rate Collateral Debt Obligation (including, for any Collateral Debt Obligation, only the required, non-deferrable current cash pay interest required by the Underlying Instruments thereon), (x) the stated coupon on such Collateral Debt Obligation expressed as a percentage and (y) the Principal Balance of such Collateral Debt Obligation,

provided that:

(i) with respect to any Step-Up Coupon Security, the relevant coupon shall be deemed to be the margin which may be applicable as at the relevant Measurement Date pursuant to the terms of the relevant Underlying Instrument and with respect to a Step-Down Coupon Security, the relevant spread shall be deemed to be the lowest margin permissible as at the relevant Measurement Date pursuant to the terms of the relevant Underlying Instrument;

(ii) a Floating Rate Collateral Debt Obligation which is subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Debt Obligation for a fixed rate shall be treated as a Fixed Rate Collateral Debt Obligation with a stated coupon equal to the stated fixed rate payable by the applicable Interest Rate Hedge Counterparty to the Issuer under such Interest Rate Hedge Transaction; and

(iii) a Fixed Rate Collateral Debt Obligation which is subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Debt Obligation for a floating rate shall be disregarded.

"**Excess Weighted Average Floating 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 Fitch Minimum Weighted Average Spread; by

(b) the number obtained by dividing the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations by the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations.

"**Fitch Minimum Weighted Average Fixed Coupon**" means the weighted average fixed coupon applicable to the Fitch Test Matrix selected by the Collateral Manager.

The "**Weighted Average Floating Spread**" as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to (i) the Aggregate Funded Spread plus (ii) the Aggregate Unfunded Spread plus (iii) the Aggregate Excess Funded Spread (except for the purpose of the S&P CDO Monitor Test); by

(b) an amount equal to, subject to the proviso below, the lesser of (A) the product of (i) the Unadjusted Reinvestment Target Par Amount and (ii) a fraction, the numerator of which is equal to the sum of (1) the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations (other than those which are subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Debt Obligation for a fixed rate) and (2) the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations which are subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Debt Obligation for a floating rate, in each case as of such Measurement Date and the denominator of which is equal to the Aggregate Principal Balance of all Collateral Debt Obligations, and (B) an amount equal to the sum of (1) the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations (other than those which are subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Debt Obligation for a fixed rate) and (2) the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations which are subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Debt Obligation for a floating rate, as of such Measurement Date (in each case, excluding Defaulted Obligations, Deferring Obligations, PIK Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation or Revolving Obligation), *provided* that only paragraph (B) above shall be applicable in respect of the S&P CDO Monitor Test.

in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty or otherwise,.

The "**Aggregate Funded Spread**" is, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Collateral Debt Obligation (including only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Debt Obligation above EURIBOR multiplied by (ii) the Principal Balance of such Collateral Debt Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Debt Obligation or Revolving Obligation);

(b) in the case of each Floating Rate Collateral Debt Obligation (including only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) that bears interest at a spread over an index other than EURIBOR, (i) the excess of the sum of such spread and such index over the EURIBOR rate that has an equivalent frequency and setting date to the corresponding interest rate in respect of such Floating Rate Collateral Debt Obligation as of the immediately preceding interest determination date pursuant to the relevant Underlying Instrument (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the Principal Balance of each such Collateral Debt Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Debt Obligation or Revolving Obligation);

(c) in the case of each Floating Rate Collateral Debt Obligation which is a Non-Euro Obligation (including, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) and subject to an Asset Swap Transaction, (i) the interest rate spread over EURIBOR (in respect of the applicable Hedge Agreement) payable by the applicable Asset Swap Counterparty to the Issuer under the related Asset Swap Transaction multiplied by (ii) the Principal Balance of such Non-Euro Obligation; and

(d) in the case of each Floating Rate Collateral Debt Obligation which is a Non-Euro Obligation (including, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, Deferring Obligations and the unfunded portion of any

Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) which is not subject to an Asset Swap Transaction (i) 85.00 per cent. of the interest rate spread over such floating rate index upon which the Unhedged Collateral Debt Obligation pays interest multiplied by (y) the Principal Balance of such Non-Euro Obligation,

provided, *however*, that for purposes of this definition:

(i) with respect to any Floating Rate Collateral Debt Obligation with a EURIBOR floor the interest rate spread will be deemed to be (A) the stated interest rate spread plus, (B) if positive, (x) the EURIBOR floor value minus (y)(i) if EURIBOR is positive, EURIBOR as in effect for the current accrual period; or (ii) if EURIBOR is negative, zero;

(ii) with respect to a Step-Up Coupon Security that is a Floating Rate Collateral Debt Obligation, the relevant spread shall be deemed to be the margin applicable as at the relevant Measurement Date and with respect to a Step-Down Coupon Security that is a Floating Rate Collateral Debt Obligation, the relevant spread shall be deemed to be the lowest margin permissible as at the relevant Measurement Date;

(iii) a Fixed Rate Collateral Debt Obligation which is subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Debt Obligation for a floating rate shall be treated as a Floating Rate Collateral Debt Obligation with a stated spread and index equal to the stated floating rate payable by the applicable Interest Rate Hedge Counterparty to the Issuer under such Interest Rate Hedge Transaction; and

(iv) a Floating Rate Collateral Debt Obligation which is subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Debt Obligation for a fixed rate shall be disregarded,

such adjustment pursuant to this proviso, the "**EURIBOR Floor Adjustment**".

The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Debt Obligation and Revolving Obligation (other than Defaulted Obligations and Deferring Obligations), the related commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Collateral Debt Obligation and Revolving Obligation as of such date.

The "**Aggregate Excess Funded Spread**" is, as of any Measurement Date, the amount obtained by multiplying:

(a) EURIBOR applicable to the Floating Rate 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 Debt Obligations (excluding (x) for any Deferring Obligation, any interest that has been deferred and capitalised thereon and (y) the Principal Balance of any Defaulted Obligation and (z) the Principal Balance of any Fixed Rate Collateral Debt 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.

"**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 Fitch Minimum Weighted Average Fixed Coupon, by (b) the number obtained by dividing the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations by the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations.

"**Step-Up Coupon Security**" means a security 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.

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 or equal to the number of years (rounded up to the nearest one-hundredth thereof) from such Measurement Date to 17 August 2027, or, in relation to a Fitch Test Matrix elected by the Collateral Manager

on the Effective Date only where such Fitch Test Matrix and/or the interpolation between the applicable Fitch Test Matrices applies a maximum number of years in respect of the Weighted Average Life, such earlier date, if earlier, calculated in accordance with the provisions set out in the section of this Offering Circular entitled "*The Portfolio — Portfolio Profile Tests and Collateral Quality Tests – Fitch Test Matrices*".

"**Weighted Average Life**" is, as of any Measurement Date with respect to all Collateral Debt Obligations other than Defaulted Obligations and Deferring Obligations, the number of years (rounded down to the nearest one-hundredth thereof) following such date obtained by summing the products obtained by multiplying (a) the Average Life at such time of each such Collateral Debt Obligation by (b) the Principal Balance of such Collateral Debt Obligation and dividing such sum by the Aggregate Principal Balance at such time of all Collateral Debt Obligations other than Defaulted Obligations and Deferring Obligations.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Debt Obligation, the quotient obtained by dividing (a) the sum of the products of (i) 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 Debt Obligation and (ii) the respective amounts of principal of such scheduled distributions by (b) the sum of all successive scheduled distributions of principal on such Collateral Debt Obligation.

Maximum Obligor Concentration Test

The "**Maximum Obligor Concentration Test**" will be satisfied on any Measurement Date if the Obligor Concentration as at such Measurement Date is less than or equal to the Maximum Obligor Concentration as at such Measurement Date.

The "**Maximum Obligor Concentration**" means, on any Measurement Date, the obligor concentration applicable to the Fitch Test Matrix selected by the Collateral Manager on such date in accordance with the Collateral Management Agreement.

"**Obligor Concentration**" means, on any Measurement Date, the percentage of the Aggregate Collateral Balance represented by the Aggregate Principal Balance of Collateral Debt Obligations relating to the ten Obligors contained in the Portfolio on such date that yield the highest such percentage (where for the purposes of determining the Aggregate Collateral Balance and the Aggregate Principal Balance, the Principal Balance of each Defaulted Obligation shall be excluded).

Rating Definitions

Fitch Ratings Definitions

The "**Fitch Rating**" of any Collateral Debt Obligation will be determined in accordance with the below (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 Debt Obligation in respect of which there is a Fitch issuer default rating, including credit opinions, 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 Debt 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 Debt 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 Debt 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 Debt 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; or

(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 Debt 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; *provided*, *further*, that if no credit opinion from Fitch is expected (in the opinion of the Collateral Manager) to become available for the relevant Collateral Debt Obligation and (i) either (at the discretion of the Collateral Manager) (a) the relevant Collateral Debt Obligation is not a Defaulted Obligation or a Collateral Debt Obligation with an S&P Issuer Credit Rating (without regard to whether any such ratings are publicly available) of "CCC+" or lower or (b) the relevant Collateral Debt Obligation is not a Defaulted Obligation or a Collateral Debt Obligation with a Moody's CFR or Moody's Long Term Issuer Rating (in each case without regard to whether any such ratings are publicly available) of "Caa1" or lower and, if the relevant Collateral Debt Obligation has only a Moody's Rating, the Fitch IDR Equivalent rating determined by applying the Fitch Rating Mapping Table to such Moody's Rating, is higher than "CCC+"; (ii) the relevant Collateral Debt Obligation has a private rating by Moody's or S&P (as applicable under (i)); and (iii) the relevant Collateral Debt Obligation does not form part of the Fitch Deemed Rating Excess (as defined below), then the Fitch Rating of the relevant Collateral Debt Obligation shall be deemed to be "B-" (*provided* that the Collateral Manager may elect in its sole discretion to assign any such Collateral Debt Obligation a Fitch Rating of "CCC"), and if any of the clauses (i) to (iii) in the foregoing proviso are not met, then the relevant Collateral Debt Obligation will be deemed to have a Fitch Rating of "CCC" (except where a Fitch IDR Equivalent rating has been determined in accordance with paragraph (i) above and such rating is lower than "CCC", in which case the relevant Collateral Debt Obligation shall be deemed to be a Defaulted Obligation for the purposes of this definition of "Fitch Rating"); or

(h) if such Collateral Debt Obligation is a Corporate Rescue Loan,

(a) 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; and

(b) 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 that* for the purposes of calculating:

(i) the Fitch Maximum Weighted Average Rating Factor Test when determining whether the Effective Date Determination Requirements are satisfied only, if the applicable Collateral Debt Obligation has been put on negative outlook by Fitch, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by Fitch;

(ii) the Fitch Maximum Weighted Average Rating Factor Test when determining whether the Effective Date Determination Requirements are satisfied only:

(A) if the applicable Collateral Debt Obligation has been put on negative outlook by Moody's and the Fitch Rating is derived from Moody's, then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating; and

(B) if the applicable Collateral Debt Obligation has been put on negative outlook by S&P and the Fitch Rating is derived from S&P, then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating,

provided that (1) if both (i) and (ii) apply, then the Fitch Rating shall be the lower of that derived from (i) and (ii) and (2) paragraphs (i) and (ii) above may be disapplied by the Collateral Manager subject to Rating Agency Confirmation from Fitch,

and *provided further that* (x) if the applicable Collateral Debt 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, (y) if the applicable Collateral Debt Obligation has been put on rating watch negative or negative credit watch for possible downgrade by Moody's or S&P and the Fitch Rating is derived from Moody's or S&P, then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating, and (z) notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Collateral Debt Obligations at any time.

"**Fitch Deemed Rating Excess**" means each Collateral Debt Obligation to which a Fitch Rating of "B-" would have been applied in accordance with the second proviso in paragraph (g) above, but for the Principal Balance of which, when added to the Principal Balance of each other such Collateral Debt Obligation (and for the avoidance of doubt excluding for the purposes of this definition all such Collateral Debt Obligations to which the Collateral Manager has assigned a Fitch Rating of "CCC" pursuant to paragraph (g) above), exceeding 10 per cent. of the Aggregate Collateral Balance (where the latest Collateral Debt Obligations to have been purchased shall be deemed to constitute such excess).

"**Fitch IDR Equivalent**" means, in respect of any rating described in the Fitch Rating Mapping Table, the equivalent Fitch Issuer Default Rating determined by increasing (or reducing, in the case of a negative number) such rating (or the nearest Fitch equivalent thereof) by the number of notches specified under "Mapping Rule" in the fourth column of the Fitch Rating Mapping Table.

"**Fitch Rating Mapping Table**" means the following table:

Rating Type	Applicable Rating Agency(ies)	Issue rating	Mapping Rule
Corporate family rating or long term issuer rating	Moody's	n/a	+0
Issuer credit rating	S&P	n/a	+0
Senior unsecured	Fitch, Moody's or S&P	Any	+0
Senior, senior secured or subordinated secured	Fitch or S&P	"BBB-" or above	+0
Senior, senior secured or subordinated secured	Fitch or S&P	"BB+" or below	-1
Senior, senior secured or subordinated secured	Moody's	"Ba1" or above	-1
Senior, senior secured or subordinated secured	Moody's	"Ba2" or below, but above "Ca"	-2
Senior, senior secured or subordinated secured	Moody's	"Ca"	-1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B+" / "B1" or above	+1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B" / "B2" or below	+2

"**Insurance Financial Strength Rating**" means, in respect of a Collateral Debt 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 Debt 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 Debt 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 Debt 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.

"**Moody's Rating**" means, with respect to any Collateral Debt Obligation, as of any date of determination, the rating assigned to such Collateral Debt Obligation by Moody's.

S&P Ratings Definitions

The "**S&P Rating**" means, with respect to any Collateral Debt Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if there is an S&P Issuer Credit Rating of the issuer of such Collateral Debt Obligation by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees (in a form that satisfies the then current S&P guarantee criteria) such Collateral Debt Obligation for use in connection with this transaction, then the S&P Rating shall be such ratings (regardless of whether there is a published rating by S&P on the Collateral Debt Obligations of such issuer, held by the Issuer), *provided* that private ratings (that is, ratings provided at the request of the Obligor) may be used for purposes of this definition if the related Obligor has consented to the disclosure thereof and a copy of such consent has been provided to S&P);

(b) if there is no S&P Issuer Credit Rating of the issuer or guarantor by S&P but:

(i) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Debt Obligation shall be one sub-category below such rating;

(ii) if paragraph (i) above does not apply, but there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Collateral Debt Obligation shall equal such rating; and

(iii) if neither paragraph (i) nor (ii) above applies, but there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Debt Obligation shall be one sub-category above such rating;

(c) with respect to any Collateral Debt Obligation that is a Current Pay Obligation, the S&P Rating applicable to such obligation shall be the issue level rating thereof and if there is no such issue level rating, the S&P Rating applicable to such Current Pay Obligation shall be "CCC-";

(d) with respect to any Collateral Debt Obligation, that is a Corporate Rescue Loan:

(i) falling within paragraph (a) of the definition of Corporate Rescue Loan, and if S&P has assigned a public rating to such Corporate Rescue Loan, the S&P Rating for such Corporate Rescue Loan shall be such public rating; or

(ii) falling within paragraph (b) of the definition of Corporate Rescue Loan, and if S&P has assigned an S&P Issuer Credit Rating or credit estimate to such Corporate Rescue Loan, the S&P Rating for such Corporate Rescue Loan shall be such S&P Issuer Credit Rating or credit estimate; or

(iii) if a credit estimate has not been obtained for 90 days following an application by the Issuer (or the Collateral Manager on behalf of the Issuer) to S&P for a credit estimate, the applicable Corporate Rescue Loan shall be deemed to have an S&P Rating of "D"; and

(e) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined (other than in the case of Corporate Rescue Loans) pursuant to paragraphs (i) and (ii) below:

(i) if such an obligation of the issuer is not a Corporate Rescue Loan and is publicly rated by Moody's and any successors thereto, then the S&P Rating will be determined in accordance with the methodologies for establishing the S&P Rating set forth above except that the S&P Rating of such obligation will be (A) one sub-category below the S&P equivalent of the Moody's rating if such Moody's rating is "Baa3" or higher and (B) two sub-categories below the S&P equivalent of the Moody's rating if such Moody's rating is "Ba1" or lower, *provided* that in each case (1) the S&P Rating will be a further sub-category below the S&P equivalent of the Moody's rating of the applicable obligation if the relevant Moody's rating is on "credit watch negative" by Moody's and (2) if the Aggregate Principal Balance of Collateral Debt Obligations whose S&P Rating is determined pursuant to this paragraph (i) exceeds 15 per cent. of the Aggregate Collateral Balance (where for the purposes of this clause (2) Defaulted Obligations shall be carried at S&P Collateral Value), the S&P Rating of the excess of the Aggregate Principal Balance of the Collateral Debt Obligations where the S&P Rating is

determined pursuant to this paragraph (i) over an amount equal to 15 per cent. of the Aggregate Collateral Balance shall be "CCC-" (for the purposes of this clause (2), the Collateral Debt Obligations whose S&P Rating is determined pursuant to this paragraph (i) with the lowest S&P Collateral Value (expressed as a percentage of the Principal Balance of such Collateral Debt Obligation as of the relevant date of determination) shall be determined to comprise such excess);

(ii) the S&P Rating may be based on a credit estimate provided by S&P, and in connection therewith, the Issuer, the Collateral Manager on behalf of the Issuer or the issuer of such Collateral Debt Obligation shall, prior to or within thirty calendar days after the acquisition of such Collateral Debt Obligation, apply (and concurrently submit all available information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating; *provided* that, if such information is submitted within such thirty day period, then, for a period of up to ninety calendar days after acquisition of such Collateral Debt Obligation it shall have an S&P Rating as determined by the Collateral Manager in its sole discretion if (A) the Collateral Manager certifies to the Trustee and the Collateral Administrator (upon which certificate the Trustee and the Collateral Administrator shall rely absolutely and without enquiry or liability) that it believes that such S&P Rating determined by the Collateral Manager is commercially reasonable and that the S&P Rating will be at least equal to such rating and (B) the Aggregate Principal Balance of the Collateral Debt Obligations subject to an S&P Rating determined by the Collateral Manager in accordance with (A) does not exceed 5 per cent. of the Aggregate Collateral Balance (for such purpose, the Principal Balance of all Defaulted Obligations shall be their S&P Collateral Value); *provided*, *further*, that (x) if such information is not submitted within such thirty day period and (y) following the end of the ninety-day period set forth above, pending receipt from S&P of such estimate, the Collateral Debt Obligation shall have an S&P Rating of "CCC-"; unless, in the case of clause (y) above, during such ninety-day period, the Collateral Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; *provided*, *further*, that if the Collateral Debt Obligation has had a public rating by S&P that S&P has withdrawn or suspended within six months prior to the date of such application for a credit estimate in respect of such Collateral Debt Obligation, the S&P Rating in respect thereof shall be "CCC-", pending receipt from S&P of such estimate and S&P may elect not to provide such estimate until a period of six months have elapsed after the withdrawal or suspension of the public rating; *provided*, *further*, that such credit estimate shall expire twelve months after the acquisition of such Collateral Debt Obligation, following which such Collateral Debt Obligation shall have an S&P Rating of "CCC-" unless, during such twelve-month period, the Issuer (or the Collateral Manager acting on behalf of the Issuer) applies for renewal thereof in accordance with the Collateral Management Agreement in which case such credit estimate shall continue to be the S&P Rating of such Collateral Debt Obligation until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Collateral Debt Obligation; *provided*, *further*, that such confirmed or revised credit estimate shall expire on the next succeeding twelve-month anniversary of the date of the acquisition of such Collateral Debt Obligation and (when renewed annually in accordance with the Collateral Management Agreement) on each twelve-month anniversary thereafter;

(f) with respect to a Collateral Debt Obligation that is not a Defaulted Obligation, the S&P Rating of such Collateral Debt Obligation will at the election of the Issuer (at the direction of the Collateral Manager) be "CCC-"; *provided* that (i) neither the Obligor of such Collateral Debt Obligation nor any of its Affiliates are subject to any bankruptcy or reorganisation proceedings; (ii) the Obligor thereof has not defaulted on any payment obligation in respect of any debt security or other obligation of such Obligor at any time within the two year period ending on such date of determination and all such debt securities and other obligations of the Obligor are current and the Collateral Manager reasonably expects them to remain current; and (iii) the Collateral Debt Obligation is current and the Collateral Manager reasonably expects it to remain current; and

(g) with respect to any Collateral Debt Obligation whose rating cannot be determined using any of the steps set out in paragraphs (a) to (e) above, the S&P Rating for such Collateral Debt Obligation shall be "CC",

and *provided* that, for purposes of the determination of the S&P Rating, (x) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating, (y) if the applicable rating assigned by S&P to an Obligor or its

obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating and (z) only ratings assigned on the basis of ongoing surveillance (including any rating assigned by Moody's) will be applicable for the purposes of determining the S&P Rating of a Collateral Debt Obligation, and *provided*, *further*, that in the case only where the S&P Rating is derived from a rating assigned by Moody's then the rating assigned by Moody's from which such S&P Rating is derived shall (x) if the applicable rating assigned by Moody's to an Obligor or its obligations is on "credit watch positive" by Moody's, be treated as being one sub-category above such assigned rating and (y) if the applicable rating assigned by Moody's to an Obligor or its obligations is on "credit watch negative" by Moody's, such rating will be treated as being one sub-category below such assigned rating.

"**S&P Issuer Credit Rating**" means, in respect of a Collateral Debt 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/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test, the Class A/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 Principal Proceeds may be reinvested in Substitute Collateral Debt Obligations, whether Interest Proceeds which would otherwise be used to pay interest on the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes must instead be used to pay principal of the Class X Notes, the Class A Notes and the Class B Notes in the event of failure to satisfy the Class A/B Coverage Tests and to pay principal of the Class X Notes, the Class A Notes, the Class B Notes and the Class C Notes in the event of failure to satisfy the Class C Par Value Test; to pay principal of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in the event of failure to satisfy the Class D Coverage Tests, to pay the principal of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and Class E Notes in the event of failure to satisfy the Class E Par Value Test, or, following the Reinvestment Period, to pay the principal of the Class X Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and Class E Notes , in each case to the extent necessary to cause the Coverage Tests relating to the relevant Class of Notes to be satisfied.

Each of the Class A/B Par Value Test, the Class A/B Interest Coverage Test, the Class C Par Value Test, the Class C Interest Coverage Test, the Class D Par Value Test, the Class D Interest Coverage Test and the Class E Par Value Test shall apply on a Measurement Date (i) on and after the Effective Date in respect of the Par Value Tests (other than in respect to the Class E Par Value Test which shall apply on a Measurement Date falling on or after the end of the Reinvestment Period only) and (ii) on and after the Determination Date immediately preceding the second Payment Date in the case of the Interest Coverage Tests, 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/B Par Value.....	135.99%
Class A/B Interest Coverage.....	120.00%
Class C Par Value.....	124.16%
Class C Interest Coverage	110.00%
Class D Par Value.....	116.05%
Class D Interest Coverage	105.00%
Class E Par Value.....	109.84%

Required diversion in respect of the Reinvestment Overcollateralisation Test

If, on any Payment Date on and after the Effective Date and during the Reinvestment Period, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (S) (inclusive) of the Interest Proceeds Priority of Payments, the Reinvestment Overcollateralisation Test has not been satisfied, Interest Proceeds shall be paid to the Principal Account as Principal Proceeds, for the acquisition of additional Collateral Debt Obligations (provided such acquisition does not cause a Retention Deficiency) (or, if the Collateral Manager determines that it is unable to identify such additional Collateral Debt Obligations that it considers appropriate for such reinvestment, in redemption by way of Special Redemption of the Notes in accordance with the Note Payment Sequence) in an 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 (S) (inclusive) of the Interest Proceeds Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied.

DESCRIPTION OF THE COLLATERAL MANAGEMENT AGREEMENT

The following description of the Collateral Management Agreement consists of a summary of certain provisions of the Collateral Management 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 Agreement.

Fees

As compensation for the performance of its collateral management services under the Collateral Management Agreement, the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will receive from the Issuer a collateral management fee, on each Payment Date, (exclusive of VAT) equal to 0.12 per cent. *per annum* of the Aggregate Collateral Balance measured as of the beginning of the Due Period relating to the applicable Payment Date, which collateral management fee will be payable *pro rata* and *pari passu* with payments of Senior Class M Interest Amounts on the Class M Notes and senior to the Notes of each other Class, but subordinated to certain fees and expenses of the Issuer (such fee, the "**Senior Collateral Management Fee**").

The Collateral Management Agreement also provides that the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will receive from the Issuer a collateral management fee on each Payment Date (exclusive of VAT) equal to 0.20 per cent. *per annum* of the Aggregate Collateral Balance measured as of the beginning of the Due Period relating to the applicable Payment Date which collateral management fee will be payable *pro rata* and *pari passu* with payments of Subordinated Class M Interest Amounts on the Class M Notes and senior to the payments on the Subordinated Notes, but subordinated to payments of Senior Class M Interest Amounts on the Class M Notes and to the Rated Notes in accordance with the Priorities of Payment (such fee, the "**Subordinated Collateral Management Fee**").

Each of the Senior Collateral Management Fee and Subordinated Collateral Management Fee shall be calculated based upon the actual number of days elapsed in the applicable Due Period divided by 360.

In addition to the Senior Collateral Management Fee and the Subordinated Collateral Management Fee, the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will receive an incentive collateral management fee (exclusive of VAT), payable on each Payment Date as provided below and subject to the Priorities of Payments, if the Incentive Collateral Management Fee IRR Threshold has met or exceeded 12 per cent., in an amount equal to 20 per cent. of any Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligation Proceeds that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payments (the "**Incentive Collateral Management Fee**").

If amounts distributable on any Payment Date in accordance with the Priorities of Payments are insufficient to pay the Senior Collateral Management Fee in full, then a portion of the Senior Collateral Management Fee 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.

If amounts distributable on any Payment Date in accordance with the Priorities of Payments are insufficient to pay the Subordinated Collateral Management Fee in full, then a portion of the Subordinated Collateral Management Fee 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 may elect to (x) defer or (y) designate for reinvestment any Senior Collateral Management Fees and Subordinated Collateral Management Fees and may elect to (i) irrevocably waive or (ii) designate for reinvestment any Incentive Collateral Management Fees. Any amounts so deferred, waived or designated for reinvestment shall be applied in accordance with the Priorities of Payments. Any due and unpaid Collateral Management Fees will remain due and payable and other than any Deferred Senior Collateral Management Amounts, Deferred Subordinated Collateral Management Amounts and Waived Incentive Collateral Management Amounts, shall accrue interest at a rate of three month EURIBOR or, if a Frequency Switch Event has occurred, six month EURIBOR, plus 2 per cent. *per annum* from (and including) the Payment Date on which such fee is due to (but excluding) the date on which such fee is actually paid in accordance with the Priorities of Payments.

Affiliate Transactions

The Collateral Manager may conduct transactions for its own account, for the account of its Affiliates, for the account of the Issuer or for the accounts of third parties and will endeavour to resolve conflicts arising therefrom

in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law as disclosed under "*Risk Factors –Certain Conflicts of Interest – Collateral Manager*". Without limiting the foregoing but subject to compliance with the Collateral Manager's best execution policy and acquisition standards, the Collateral Manager, on behalf of and for the account of the Issuer, may sell Collateral Debt Obligations to, or buy Collateral Debt Obligations from, the Collateral Manager, any Affiliate of the Collateral Manager, or any fund managed by the Collateral Manager (some or all of which Affiliates or funds may be owned in part by principals, partners, members, directors, managers, managing directors, officers, employees, agents or Affiliates of the Collateral Manager) in transactions in which the Collateral Manager, an Affiliate or such fund acts as principal on the other side of the transaction from the Issuer and buys or sells the Collateral Debt Obligations for its own account, *provided* that such affiliate transactions shall be made in accordance with the affiliate transaction procedures set forth in the Collateral Management Agreement.

Standard of Care of the Collateral Manager

Pursuant to the Collateral Management Agreement, the Collateral Manager will agree with the Issuer that it will perform its obligations, duties and discretions under the Collateral Management Agreement, with reasonable care, using a degree of skill and attention no less than that which the Collateral Manager exercises with respect to comparable assets that it manages for others (including its Affiliates) having similar investments, objectives and restrictions and in a manner consistent with practices and procedures followed by prudent collateral managers of international recognition relating to assets of the nature and character of the Collateral (the "**Standard of Care**"), *provided* that the Collateral Manager will not be liable for any loss or damage resulting from any failure to satisfy the Standard of Care except to the extent any act or omission of the Collateral Manager constitutes a Collateral Manager Breach. The Standard of Care may change from time to time to reflect changes by the Collateral Manager to its customary and usual administrative policies and procedures provided that such policies and procedures are at least as rigorous as the foregoing. To the extent not inconsistent with the foregoing, the Collateral Manager will follow its customary and usual administrative policies and procedures in performing its duties under the Collateral Management Agreement.

Responsibilities of the Collateral Manager, Indemnities

The Collateral Manager will not be liable in contract or tort to the Issuer, the Trustee or the holders of the Notes or to any other person for any loss incurred as a result of the actions taken by the Collateral Manager under the Collateral Management Agreement, except by reason of acts or omissions constituting bad faith, wilful misconduct or gross negligence (with such term given its meaning under New York law) in the performance of its obligations under the express terms of the Collateral Management Agreement or by reason of any information provided by the Collateral Manager for inclusion in this Offering Circular containing any untrue statement of material fact or omitting to state a material fact necessary in order to make such statements, in the light of the circumstances under which they were made, not misleading (together, "**Collateral Manager Breaches**"). Investors should note that for such purpose and notwithstanding that the Notes and the Transaction Documents are governed by English law, the interpretation of "gross negligence" will be pursuant to New York law. Under New York law, the concept of gross negligence is a significantly lower standard of care than negligence under English law, requiring conduct akin to intentional wrongdoing or reckless indifference under English law. As a result, the Collateral Manager may in some circumstances have no liability for its actions or inactions under the Transaction Documents where it would otherwise have been liable if a mere negligence standard was applied under English law or if New York law was not designated as the law pursuant to which the concept of gross negligence for this purpose would be interpreted.

The Collateral Manager will agree pursuant to the Collateral Management Agreement to assist the Issuer in fulfilling its obligations as the designated reporting party for this transaction under the EU Transparency Requirements. See "*The Retention Holder and the EU Retention and Transparency Requirements – Transparency Requirements*" section of the Offering Circular for more details.

Subject to the standard of care specified above, the Collateral Manager (and any Affiliates of the Collateral Manager, and their shareholders, managers, directors, officers, members, attorneys, advisors, agents, partners and employees) will be entitled to indemnification by the Issuer in relation, *inter alia*, to the performance of the Collateral Manager's obligations under the Collateral Management Agreement, which will be payable in accordance with the Priorities of Payments, in respect of Liabilities not arising as a result of any act or omission constituting bad faith, wilful misconduct, or gross negligence (with such term given its meaning under New York law) (or in the case of any pecuniary sanctions to which the Collateral Manager may be become liable pursuant to Article 32 of the Securitisation Regulation in relation to a failure by the Issuer to meet the requirements of

Article 7 of the Securitisation Regulation, negligence) in the performance of the Collateral Manager's obligations under the Collateral Management Agreement.

The Collateral Manager shall indemnify the Issuer in respect of any Collateral Manager Breaches.

Resignation of the Collateral Manager

The Collateral Manager may resign, subject to the appointment of a successor collateral manager in accordance with the Collateral Management Agreement, with or without cause upon at least 90 days' prior written notice to the Issuer, the Trustee, the Collateral Administrator, the Noteholders in accordance with the Conditions, the Rating Agencies and each Hedge Counterparty. The Collateral Manager may resign its appointment hereunder upon shorter notice whether or not a replacement Collateral Manager has been appointed 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 Agreement.

Collateral Manager Event of Default

The Collateral Manager may, subject to the appointment of a successor collateral manager in accordance with the Collateral Management Agreement, be removed following the occurrence of a Collateral Manager Event of Default upon at least 30 days prior written notice by (i) the Issuer at its discretion; or (ii) the Trustee at the direction of the holders of (A) the Subordinated Notes, acting by Extraordinary Resolution or (B) the Controlling Class, acting by Extraordinary Resolution (for the avoidance of doubt, in each case excluding any Notes held by the Collateral Manager or a Collateral Manager Related Person and any Notes held in the form of CM Non-Voting Notes and CM Exchangeable Non-Voting Notes), *provided* that notice of such removal shall have been given to the holders of each Class of the Notes by the Issuer or the Trustee, as the case may be, in accordance with the Conditions.

If any Collateral Manager Event of Default shall occur, the Collateral Manager shall give prompt written notice thereof to the Issuer, the Trustee, the Rating Agencies, each Hedge Counterparty and the holders of the Outstanding Notes in accordance with the Conditions upon the Collateral Manager becoming aware of the occurrence of such event.

No Voting Rights

Any Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person will have no voting rights with respect to any vote (or written direction or consent) in connection with the removal of the Collateral Manager or, for so long as the Retention Holder and the Collateral Manager are the same entity or Affiliates, with respect to the assignment or transfer by the Collateral Manager of its obligations under the Collateral Management Agreement and will be deemed not to be Outstanding in connection with any such vote, provided, however, that any Notes held by the Collateral Manager or any Collateral Manager Related Person will have voting rights (including in respect of written directions and consents and appointment of a successor collateral manager) with respect to all other matters as to which Noteholders are entitled to vote.

Delegation, Assignment and Transfers

The Collateral Manager may not assign or transfer its material rights or material responsibilities (as applicable) under the Collateral Management Agreement unless (a) it obtains the written consent of: (i) the Issuer; (ii) the holders of the Controlling Class acting by Ordinary Resolution; and (iii) the holders of the Subordinated Notes acting by Ordinary Resolution, in each case excluding the Notes held by the Collateral Manager or any Collateral Manager Related Person, and subject to receipt by the Issuer of a Rating Agency Confirmation; (b) such assignee or transferee has the requisite Irish regulatory capacity; (c) such assignment or transfer does not cause the Issuer to become chargeable to taxation in any jurisdiction other than Ireland; (d) such assignment or transfer does not cause the transaction described in this Offering Circular to cease to be compliant with the EU Retention Requirements; and (e) such arrangement does not cause additional VAT to become payable by the Issuer (whether to a tax authority or any counterparty); provided, that, to the extent permitted by the Collateral Management Agreement, such consent and Rating Agency Confirmation under (a) above shall not be required (i) in the case of a Permitted Assignee or (ii) to enter into (or have its direct or indirect parent enter into) any consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its CLO management business to another entity (such action a "**CM Merger**") and, at the time of such CM Merger the resulting, surviving or transferee entity assumes (or continues with) all the obligations of the Collateral Manager under the Collateral Management Agreement generally provided that the resulting, surviving or transferee entity has the Irish

regulatory capacity to act as Collateral Manager under the Collateral Management Agreement. A "**Permitted Assignee**", for the purposes of the Collateral Management Agreement, means an Affiliate of the Collateral Manager that certifies in writing to the Issuer that it (i) is legally qualified and has the Irish regulatory capacity to act as Collateral Manager under the Collateral Management Agreement; and (ii) employs the principal personnel performing the duties required under the Collateral Management Agreement prior to such assignment.

Notwithstanding the above, the Collateral Manager:

(a) may delegate any its powers, duties and obligations under the Collateral Management Agreement to an Affiliate which is a Permitted Assignee; and

(b) may delegate to or employ an agent or other third party selected with reasonable care to provide services to assist the Collateral Manager in the performance of any or all of its administrative powers, duties or obligations under the Collateral Management Agreement, including its duties in respect of the Issuer's obligations under EMIR, FATCA and CRS,

in each case, without the consent of any person and without receiving any Rating Agency Confirmation; *provided* that no such delegation of power, duties or obligations by the Collateral Manager will relieve the Collateral Manager from any liability with respect to such delegated power, duties or obligations under the Collateral Management Agreement.

The Issuer may not assign its rights under the Collateral Management Agreement without the prior written consent of the Collateral Manager, the Trustee, the holders of each Class of Notes (other than the Class M Notes) acting by Ordinary Resolution, each voting as a separate class, and subject to Rating Agency Confirmation, except in the case of an assignment by the Issuer (i) to an entity that is a successor to the Issuer permitted under the Trust Deed or (ii) to the Trustee.

Appointment of Successor

Upon any removal or resignation of the Collateral Manager (except in the circumstances where it has become illegal for the Collateral Manager to carry on its duties under the Collateral Management Agreement), 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 Agreement, including receipt of Rating Agency Confirmation in respect thereof and provided it is legally qualified and has the capacity (including Irish regulatory capacity to provide collateral management services to Irish counterparties as a matter of the laws of Ireland) to act as Collateral Manager under the Collateral Management Agreement. The successor collateral manager will be selected by the Issuer as proposed by the holders of the Controlling Class acting by Ordinary Resolution, *provided* that the holders of the Subordinated Notes do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection by the Issuer. If the Subordinated Noteholders do object as described in the previous sentence, then they must also propose an alternative replacement collateral manager, which shall be appointed as successor provided that the holders of the Controlling Class acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection. If the holders of the Controlling Class do object as described in the previous sentence, then they must also propose an alternative replacement collateral manager, which shall be appointed as successor provided that the Subordinated Noteholders acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection. If the Subordinated Noteholders do object as described in the previous sentence, then the Issuer shall appoint a successor collateral manager proposed by the holders of the Controlling Class acting by Ordinary Resolution that (i) has not previously been objected to by the Subordinated Noteholders (ii) is not an Affiliate of any such holder voting in favour of such Ordinary Resolution and (iii) otherwise meets the criteria for a successor collateral manager under the Collateral Management Agreement. If no successor collateral manager has been appointed within 180 days or if the Collateral Manager is required to resign as a result of illegality, the Issuer (subject to the approval of the Controlling Class, acting by Ordinary Resolution) shall appoint a successor collateral manager which satisfies the criteria specified in the Collateral Management Agreement subject to receipt of Rating Agency Confirmation.

CM Non-Voting Notes and CM Exchangeable Non-Voting Notes

In accordance with the Conditions, Class A Notes, Class B Notes, Class C Notes and Class D Notes may be held in the form of CM Voting Notes, CM Non-Voting Notes or CM Exchangeable Non-Voting Notes.

No Notes either held in the form of CM Non-Voting Notes or CM Exchangeable Non-Voting Notes shall have any voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of voting on any CM Removal Resolution or CM Replacement Resolution.

Upon notice of removal or resignation of the Collateral Manager

In the event that the Collateral Manager has received notice that it will be removed or has given notice of its resignation, or upon termination of the Collateral Management Agreement, as applicable until a successor collateral manager has been appointed and has accepted such appointment in accordance with the terms specified in the Collateral Management Agreement, purchases of Collateral Debt Obligations shall be only be made in relation to trades initiated prior to such removal or resignation and sales of Collateral Debt Obligations shall be only be made in relation to sale of Margin Stock, Credit Impaired Obligations and Defaulted Obligations and in the case of trades initiated prior to such removal or resignation.

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 Sole Arranger, the Initial Purchaser or any other party. None of the Sole Arranger, the Initial Purchaser or any other party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

The Bank of New York Mellon SA/NV is a Belgian limited liability company established September 30, 2008 under the form of a *Société Anonyme/Naamloze Vennootschap*. It was granted its banking license by the CBFA (former Belgian supervisor prior to the implementation of the "twin peaks" model) on 10 March 2009. It has its headquarters and main establishment at 46 rue Montoyerstraat, 1000 Brussels. The Bank of New York Mellon SA/NV is a subsidiary of Bank of New York Mellon, the main banking subsidiary of The BNY Mellon Corporation. It is under the prudential supervision of the National Bank of Belgium and regulated by the Belgian Financial Services and Markets Authority in respect of Conduct of Business. The Bank of New York Mellon SA/NV engages in asset servicing, global collateral management, global markets, corporate trust and depositary receipts. The Bank of New York Mellon SA/NV operates from locations in Belgium, the Netherlands, Germany, London, Luxembourg, Paris and Dublin.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Collateral Management 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, the Trustee and the Collateral Manager. 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 Agreement.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions which, pursuant to the Collateral Management Agreement, are required to be contained in each Hedge Agreement and Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Hedge Transaction constitutes a Form Approved Asset Swap or Form Approved Interest Rate Hedge.

Hedge Agreements

Subject to such arrangements complying with the Hedge Agreement Eligibility Criteria at the time such arrangements are entered into, the Issuer (or the Collateral Manager on its behalf) may enter into transactions documented under a 1992 ISDA Master Agreement (Multicurrency - Cross Border) or 2002 ISDA Master Agreement or such other form published by the International Swaps and Derivatives Association, Inc. ("**ISDA**").

Currency Hedging Arrangements

Asset Swap Agreements

The Issuer (or the Collateral Manager on behalf of the Issuer) may purchase Non-Euro Obligations provided that (i) it satisfies the definition of Unhedged Collateral Debt Obligation and, after taking into account such acquisition the Collateral Debt Obligations are in compliance with the Portfolio Profile Tests related to Unhedged Collateral Debt Obligations; or (ii) the Collateral Manager, on behalf of the Issuer, enters, as soon as practicable (but not more than five Business Days) after entering into a binding commitment to purchase such Collateral Debt Obligation, into an Asset Swap Transaction (to become effective on or before the settlement date of such Collateral Debt Obligation) with such an Asset Swap Counterparty pursuant to the terms of which the initial principal exchange is made to fund the Issuer's acquisition of the related Non-Euro Obligation and the final and, if applicable, interim principal exchanges are made to convert the principal proceeds received in respect thereof at maturity and prior to maturity, respectively and coupon exchanges are made at the exchange rate specified for such Asset Swap Transaction.

Each Asset Swap Transaction will be evidenced by a confirmation entered into pursuant to an Asset Swap Agreement. An Asset Swap Transaction, if entered into, will be:

(a) used to hedge the currency (and if applicable, interest rate) mismatch between the Notes and any Non-Euro Obligations;

(b) in the case of a Form Approved Asset Swap, subject to delivery of prior written notice to the Rating Agencies in respect thereof; and

(c) other than in the case of a Form Approved Asset Swap, subject to receipt of Rating Agency Confirmation in respect thereof,

and at the time such Asset Swap Transaction is entered into it complies with the Hedge Agreement Eligibility Criteria.

Further, each Asset Swap Counterparty will be required to include in the relevant Asset Swap Agreement the applicable terms and criteria specified by the relevant Rating Agency, which include without limitation, an obligation to comply with applicable Rating Requirements (or in the context of an Asset Swap Counterparty whose obligations are irrevocably and unconditionally guaranteed, an obligation for the guarantor to satisfy the applicable Rating Requirements) and take certain actions upon downgrade as described further below. No Asset Swap Transaction may be entered into if, at the time of entry into such Asset Swap Transaction, there is a withholding or deduction for or on account of any tax required in respect of any payments by either party to such Asset Swap Transaction.

Upon the sale of an Asset Swap Obligation, the Issuer shall pay to the Asset Swap Counterparty the proceeds of the sale of the Asset Swap Obligation in exchange for payment by the Asset Swap Counterparty of an amount denominated in Euros, such amount to be equal to the Sale Proceeds converted into Euros at a rate of exchange

agreed with the Asset Swap Counterparty less any amounts payable (if any) to the Asset Swap Counterparty in respect of the early termination of the relevant Asset Swap Transaction.

Acceleration

Upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), and upon the Trustee (or any agent or appointee thereof), the Collateral Manager or any other agent of the Issuer (including any insolvency practitioner, Receiver, or equivalent such person in any relevant jurisdiction) selling the relevant Non-Euro Obligation, the Asset Swap Counterparty shall receive the proceeds of the sale of the Non-Euro Obligation from the Asset Swap Account of the Issuer, outside of the Post-Acceleration Priority of Payments and return the Euro-equivalent amount owing, less any amount payable (if any) to the Asset Swap Counterparty in respect of the early termination of the Asset Swap Transaction (and the Trustee is not obliged to do so, unless it receives directions or instructions from the Noteholders and is indemnified and secured and is prefunded to its satisfaction) and the Asset Swap Transaction shall then terminate in accordance with its terms.

Notwithstanding the above, upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Asset Swap Counterparty may, but shall not be obliged to, terminate the Asset Swap Transactions in which case any Asset Swap Termination Payment would be paid in accordance with the Post-Acceleration Priority of Payments.

An Asset Swap Transaction may also include credit linked settlement terms whereby upon the occurrence of a predefined credit event (or potential credit event), such as bankruptcy, failure to pay or restructuring, in relation to the Non-Euro Obligation or the related Obligor, scheduled payments under such Asset Swap Transaction will be suspended. Where a credit event occurs, such Asset Swap Transaction will be settled by way of the exchange of cash settlement amounts linked to a final price (which may be zero) for the Non-Euro Obligation determined by the calculation agent by reference to quotations obtained from certain dealers, which may include the Asset Swap Counterparty or its affiliate. The final price may not reflect the then market value of the Non-Euro Obligation. The observation period in which a credit event may occur may extend beyond the scheduled termination date of the Asset Swap Transaction.

An Asset Swap Transaction may also terminate in accordance with its terms upon repayment in full of the related Asset Swap Obligation and related final exchange under such Asset Swap Transaction.

Replacement Asset Swap Transactions

In the event that any Asset Swap Transaction terminates in whole at any time other than in circumstances where (a) the Collateral Manager intends to sell the related Non-Euro Obligation on behalf of the Issuer, (b) a Redemption Date has or is scheduled to occur or (c) a Restructuring Date has occurred or is scheduled to occur the Issuer, or the Collateral Manager on its behalf, shall, within 30 days of such termination, act in accordance with the standard of care set out in the Collateral Management Agreement to enter into a Replacement Asset Swap Transaction in respect of such terminated Asset Swap Transaction with one or more Asset Swap Counterparties who satisfy the applicable Rating Requirement (or whose obligations are irrevocably and unconditionally guaranteed by a guarantor which satisfies the applicable Rating Requirement) and agree to limited recourse and non-petition language (as described below) under which the currency risk is reduced or eliminated and (i) at the time such Replacement Asset Swap Transaction is entered into it complies with the Hedge Agreement Eligibility Criteria and (ii) the Issuer obtains Rating Agency Confirmation unless such Replacement Asset Swap Transaction is a Form Approved Asset Swap. For the avoidance of doubt, the Collateral Manager may elect to sell the Non-Euro Obligation related to such terminated Asset Swap Transaction in accordance with the terms of the Collateral Management Agreement.

Interest Rate Hedging Arrangements

The Issuer (or the Collateral Manager on its behalf) may enter into any additional Interest Rate Hedge Transactions from time to time. Each Interest Rate Hedge Transaction will be evidenced by a confirmation entered into pursuant to an Interest Rate Hedge Agreement. An Interest Rate Hedge Transaction, if entered into, will be:

(a) used to hedge any interest rate mismatch between the Notes (other than the Subordinated Notes) and the Collateral Debt Obligations;

(b) in the case of a Form Approved Interest Rate Hedge, subject to delivery of prior written notice to the Rating Agencies in respect thereof; and

(c) other than in the case of a Form Approved Interest Rate Hedge, subject to receipt of Rating Agency Confirmation in respect thereof,

and at the time such Interest Rate Hedge Transaction is entered into it complies with the Hedge Agreement Eligibility Criteria.

Further, each Interest Rate Hedge Counterparty will be required to include in the relevant Interest Rate Hedge Agreement the applicable terms and criteria specified by the relevant Rating Agency, which include without limitation, an obligation to comply with applicable Rating Requirements (or in the context of an Asset Swap Counterparty whose obligations are irrevocably and unconditionally guaranteed, an obligation for the guarantor to satisfy the applicable Rating Requirements) and take certain actions upon downgrade as described further below. No Interest Rate Hedge Transaction may be entered into if, at the time of entry into such Interest Rate Hedge Transaction, there is a withholding or deduction for or on account of any tax required in respect of any payments by either party to such Interest Rate Hedge Transaction.

Acceleration

Upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Interest Rate Hedge Counterparty may, but shall not be obliged to, terminate the Interest Rate Hedge Transactions in which case any Interest Rate Hedge Termination Payment would be paid in accordance with the Post-Acceleration Priority of Payments.

Replacement Interest Rate Hedge Agreements

If 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 an "Affected Party" (each such term as defined in the applicable Interest Rate Hedge Agreement), the Issuer, or the Collateral Manager on its behalf, shall, within 30 days of such termination, act in accordance with the standard of care set out in the Collateral Management Agreement to enter into a Replacement Interest Rate Hedge Transaction in respect of such terminated Interest Rate Hedge Transaction with one or more Interest Rate Hedge Counterparties who satisfy the applicable Rating Requirement (or whose obligations are irrevocably and unconditionally guaranteed by a guarantor which satisfies the applicable Rating Requirement) and agree to limited recourse and non-petition language (as described below) under which the interest rate risk is reduced or eliminated and (a) at the time such Replacement Interest Rate Hedge Transaction is entered into it complies with the Hedge Agreement Eligibility Criteria and (b) the Issuer obtains Rating Agency Confirmation unless such Replacement Interest Rate Hedge Transaction is a Form Approved Interest Rate Hedge.

Hedge Agreement Eligibility Criteria

The Collateral Manager shall only cause the Issuer to enter into Hedge Transactions that at the time such Hedge Transactions are entered into, satisfy the Hedge Agreement Eligibility Criteria.

Any Hedge Transaction entered into pursuant to and satisfying the Hedge Agreement Eligibility Criteria as of the time of entry shall be deemed to have been entered into consistent with the standard of care set out in the Collateral Management Agreement insofar as the risk of causing the Issuer to be a commodity pool is concerned.

The Collateral Manager shall apply the standard of care set out in the Collateral Management Agreement in respect of the risk of causing the Issuer to become subject to clearing under EMIR, the Dodd-Frank Act or any other applicable legal, regulatory or other requirements, and the Collateral Manager shall consult with reputable legal counsel when it considers appropriate having regard to the standard of care set out in the Collateral Management Agreement and seek advice from such counsel that the Hedge Agreement Eligibility Criteria remain sufficient to prevent any commodity pool operator of the Issuer, including the Collateral Manager, from being required to register as a CPO with the CFTC in respect of the Issuer.

In addition, if the Collateral Manager has actual knowledge of any change in law, rule or regulation or interpretation thereof that would lead the Collateral Manager to reasonably question whether, notwithstanding compliance with the Hedge Agreement Eligibility Criteria, such change in law or regulation or interpretation thereof would cause any commodity pool operator of the Issuer, including the Collateral Manager, to be required

to register as a CPO with the CFTC in respect of the Issuer, the Collateral Manager shall cause the Issuer to seek a bring-down opinion in respect of the opinion on the Hedge Agreement Eligibility Criteria delivered on the Issue Date (or, if a prior bring-down opinion or modification opinion has been issued, then a bring-down of such opinion or equivalent opinion, as the case may be). If the Collateral Manager cannot obtain such a bring-down or equivalent opinion on the basis of the original Hedge Agreement Eligibility Criteria, the Collateral Manager shall not cause the Issuer to enter into any further Hedge Agreements unless in respect of any such further Hedge Agreement the Collateral Manager obtains legal advice of reputable legal counsel that such Hedge Agreement will not cause any commodity pool operator of the Issuer, including the Collateral Manager, to be required to register as a CPO with the CFTC in respect of the Issuer.

Notwithstanding anything contained in the Collateral Management Agreement or the Trust Deed to the contrary, the Collateral Manager may by notice in writing to the Issuer and the Trustee unilaterally elect to modify the Hedge Agreement Eligibility Criteria without the consent of any other party so long as it first causes the Issuer to obtain (or itself obtains on behalf of the Issuer) an opinion from reputable legal counsel that Hedge Agreements entered into in compliance with such modified Hedge Agreement Eligibility Criteria will not cause:

(a) any commodity pool operator of the Issuer, including the Collateral Manager, to be required to register as a CPO with the CFTC in respect of the Issuer; and

(b) the Issuer to become subject to clearing under EMIR, the Dodd-Frank Act or any other applicable legal, regulatory or other requirements.

From and after the delivery of the notice described in the preceding sentence, the Hedge Agreement Eligibility Criteria shall be deemed amended to include the aforementioned modifications.

Standard Terms of the 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 Issuer and the applicable Hedge Counterparty and subject to receipt of Rating Agency Confirmation in respect thereof or the Hedge Agreement being either a Form Approved Interest Rate Hedge or a Form Approved Asset Swap.

Gross up

Under each Hedge Agreement neither the Issuer nor the applicable Hedge Counterparty will be obliged to gross up any payments thereunder in the event of any withholding or deduction for or on account of tax required to be paid on such payments. Any such event may however result in a "Tax Event" which is a "Termination Event" for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a Tax Event (as defined in such Hedge Agreement), each Hedge Agreement will include provision for the relevant Affected Party (as defined therein) to use reasonable endeavours to (i) (in the case of the Hedge Counterparty) arrange for a transfer of all of its interests and obligations under the Hedge Agreement and all Transactions (as defined in the Hedge Agreement) thereunder to an Affiliate that is incorporated in another jurisdiction so as to avoid the requirement to withhold or deduct for or on account of tax; or (ii) (in the case of the Issuer) transfer its residence for tax purposes to another jurisdiction or if a substitute principal obligor under the Notes has been substituted for the Issuer in accordance with Condition 9 (*Taxation*), arrange for a transfer of all of its interest and obligations under the Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein (including receipt of Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of Payments set out in Condition 3(c) (*Priorities of Payment*), *provided* that any Counterparty Downgrade Collateral standing to the credit of a Counterparty Downgrade Collateral Account shall be applied and delivered by the Issuer pursuant to Condition 3(j)(v) (*Counterparty Downgrade Collateral Account*). The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse and Non-Petition*).

Termination Provisions

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the occurrence of a number of events (which may include 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 the applicable grace period;

(c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or to perform its obligations under, any applicable Hedge Agreement;

(d) the principal due in respect of the Notes is declared to be due and payable in accordance with the terms of the Trust Deed and the Trustee has started to sell all or part of the Collateral as a consequence thereof;

(e) failure by a Hedge Counterparty to comply with the requirements of the Rating Agencies in the event that it (or, in the context of an Asset Swap Counterparty whose obligations are irrevocably and unconditionally guaranteed, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement;

(f) the Notes are redeemed in whole prior to the Maturity Date (otherwise than as a result of a Note Event of Default thereunder);

(g) representations related to certain regulatory matters prove to be incorrect when made, if the Issuer becomes subject to the AIFMD, or if the Issuer or the Collateral Manager is required to register as a "commodity pool operator" and such party does not so register pursuant to the United States Commodity Exchange Act of 1936, as amended and certain representations relating to EMIR;

(h) other regulatory changes occur and the parties are unable to agree appropriate amendments to the Hedge Agreement or which have a material adverse effect on a Hedge Counterparty;

(i) material changes are made to the Transaction Documents without the consent of a Hedge Counterparty which would have a material adverse effect on the Hedge Counterparty, *provided* that no Hedge Counterparty consent will be required for modifications or waivers explicitly excluded from the requirement for Hedge Counterparty consent pursuant to the terms of the relevant Hedge Agreement; and

(j) any other event as specified in the relevant Hedge Agreement.

A termination of a Hedge Agreement does not constitute a Note Event of Default under the Notes though the repayment in full of the Notes may be an additional termination event under a Hedge Agreement.

Upon the occurrence of any Note Event of Default or Termination Event (each as defined in the applicable Hedge Agreement), a Hedge Agreement may be terminated by the Hedge Counterparty or the Issuer (or the 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*. Depending on the terms of the applicable Hedge Agreement, such Termination Payment may 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, subject and in accordance with the terms of the relevant Hedge Agreement, any loss suffered by a party.

Asset Swap Agreements may also contain provisions which allow an Asset Swap 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 Debt Obligation would not constitute a Defaulted Obligation (as such term is defined in the Conditions). In such instances the related Asset Swap 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 new Asset Swap Transaction can be entered into.

Rating Downgrade Requirements

Each Hedge Agreement will contain provisions requiring certain remedial action to be taken in the event that the Hedge Counterparty (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade, such provisions being in accordance with the rating methodology of the Rating Agencies at the time of entry into such Hedge Agreements. 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 Asset Swap or a Form Approved Interest Rate Hedge (as applicable) following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose credit support provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and provided that such institution satisfies any applicable regulatory requirements.

Any of the requirements set out herein may be modified in order to meet any new or additional requirements of any Rating Agency then rating any Class of Rated 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, English law.

Reporting of Specified Hedging Data

The Collateral Manager, on behalf of the Issuer, may from time to time enter into agreements with Hedge Counterparties (each a "**Reporting Agreement**") in a form approved by the Rating Agencies for the provision of certain information in connection with the performance by the applicable Hedge Counterparty of certain derivative transaction reporting obligations on behalf of the Issuer.

DESCRIPTION OF THE REPORTS

Monthly Reports

The Collateral Administrator, not later than the eleventh Business Day after the last Business Day of each month (save in respect of any month for which a Payment Date Report or the Effective Date Report has been prepared) commencing on 17 November 2020, in respect of the last Business Day of October 2020, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile and make available a monthly report via a secured website currently located at https://gctinvestorreporting.bnymellon.com which shall be accessible to any person who certifies to the Collateral Administrator (such certification to be in substantially the form set out in the Collateral Management Agreement or such other form as may be agreed between the Issuer, the Collateral Administrator and the Collateral Manager from time to time, such certification may be given electronically and upon which certificate the Collateral Administrator shall be entitled to rely absolutely and without enquiry or liability) that it is: (i) the Issuer, (ii) the Trustee, (iii) the Collateral Manager, (iv) the Initial Purchaser, (v) a Hedge Counterparty, (vi) a Rating Agency, (vii) a Noteholder, (viii) a Competent Authority, (ix) a potential investor in the Notes, (x) Bloomberg, or (xi) Intex Solutions, Inc. (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.

Portfolio

(a) the Aggregate Principal Balance of the Collateral Debt Obligations and Eligible Investments representing Principal Proceeds;

(b) the Aggregate Collateral Balance of the Collateral Debt Obligations;

(c) the Adjusted Collateral Principal Amount of the Collateral Debt Obligations;

(d) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Debt Obligation, its Principal Balance, LoanX ID, FIGI, CUSIP number, ISIN or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility, Collateral Debt Obligation Stated Maturity, Obligor, the Domicile of the Obligor, location of assets, location of security, S&P Recovery Rate, Fitch Recovery Rate, Fitch Rating, S&P Rating and any other public rating (other than any confidential credit estimate), its S&P Industry Classification Group and its Fitch industry category;

(e) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Debt Obligation, whether such Collateral Debt Obligation is a Secured Senior Loan, Secured Senior Bond, Unsecured Senior Obligation, Second Lien Loan, Mezzanine Obligation or High Yield Bond, Fixed Rate Collateral Debt Obligation, Corporate Rescue Loan, PIK Obligation, Current Pay Obligation, Annual Obligation, Revolving Obligation, Delayed Drawdown Collateral Debt Obligation, Bridge Loan, Discount Obligation or Swapped Non-Discount Obligation;

(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 amount, face amount, annual interest rate, Collateral Debt 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 Debt Obligations, Collateral Enhancement Obligations or Exchanged Security that were released for sale or other disposition (specifying the reason for such sale or other disposition and the section in the Collateral Management Agreement pursuant to which such sale or other disposition was made), the Aggregate Principal Balances of Collateral Debt 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), the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Collateral Manager, and the amount of any Trading Gains resulting from such sale paid into the Interest Account;

(h) subject to any confidentiality obligations binding on the Issuer, the purchase or sale price of each Collateral Debt 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 Debt

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 Debt Obligation which became a Defaulted Obligation or Deferring Obligation or in respect of which an Exchanged Security has been received since the date of determination of the last Monthly Report, the approximate Market Value of each Collateral Debt Obligation which became a Defaulted Obligation and the identity and Principal Balance of each Fitch CCC Obligation, S&P CCC Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Debt 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 Debt 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 Debt Obligations and the Collateral Enhancement Obligations;

(m) in respect of each Collateral Debt Obligation, its Fitch Rating and S&P 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 Debt Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record;

(o) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Debt Obligation which is a Cov-Lite Loan, its Principal Balance, Obligor, S&P Recovery Rate, Fitch Recovery Rate, Fitch Rating, S&P Rating and any other public rating (other than any confidential credit estimate), its S&P Industry Classification Group and its Fitch industry category;

(p) the applicable row and column in the Fitch Test Matrix which are being applied for the purposes of the Collateral Quality Tests; and

(q) a commentary provided by the Collateral Manager with respect to the Portfolio (*provided* that the Collateral Manager may provide such commentary via its own secure website and not the Reports).

Accounts

(a) the identity of the Account Bank;

(b) the Balances standing to the credit of each of the Accounts;

(c) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts; and

(d) the rating by Fitch and S&P in respect of each Eligible Investment.

Hedge Transactions

(a) the outstanding notional amount (as defined therein) of each Hedge Transaction, distinguishing between (i) Asset Swap Transactions, and (ii) Interest Rate Hedge Transactions and the current rate of EURIBOR;

(b) the amount scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date;

(c) the name of each Hedge Counterparty, the then current Fitch rating and S&P rating in respect of each Hedge Counterparty and whether such Hedge Counterparty satisfies the Rating Requirements;

(d) 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; and

(e) details of any collateral posted by a Hedge Counterparty to a Counterparty Downgrade Collateral Account since the date of determination of the last Monthly Report.

Frequency Switch Event

(a) whether a Frequency Switch Event has occurred and the date of such Frequency Switch Event as notified to the Collateral Administrator by the Collateral Manager or as determined by the Collateral Administrator in consultation with the Collateral Manager.

Coverage Tests and Collateral Quality Tests

(a) a statement as to whether each of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test and the Reinvestment Overcollateralisation Test is satisfied and details of the relevant Par Value Ratios;

(b) a statement as to whether each of the Class A/B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test is satisfied and details of the relevant Interest Coverage Ratios;

(c) the Weighted Average Life and a statement as to whether the Weighted Average Life Test is satisfied;

(d) the Weighted Average Floating Spread (shown as including and excluding the Aggregate Excess Funded Spread) and the Weighted Average Coupon, and, a statement as to whether the Fitch Minimum Weighted Average Spread Test and the Fitch Minimum Weighted Average Fixed Coupon Test are satisfied (so long as any Notes are rated by Fitch);

(e) (other than, following the expiry of the Reinvestment Period) a statement as to whether the S&P CDO Monitor Test is satisfied together with a statement as to the outputs from the S&P CDO Monitor Test (including EPDR, DRD, ODM, IDM, RDM and WAL); and

(f) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Maximum Weighted Average Rating Factor Test is satisfied;

(g) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Minimum Weighted Average Recovery Rate Test is satisfied;

(h) so long as any Notes rated by Fitch are Outstanding, whether or not the Maximum Obligor Concentration Test is satisfied;

(i) a statement identifying any Collateral Debt 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;

(j) the Moody's Weighted Average Rating Factor and the Diversity Score.

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 S&P 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 S&P ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non-compliance.

Risk Retention

(a) confirmation that the Collateral Administrator has received written confirmation from the Retention Holder that:

(i) the Retention Holder continues to hold Subordinated Notes with a Principal Amount Outstanding such that the aggregate purchase price thereof equals no less than 5 per cent. of the securitised exposures (the "**Retention**"); and

(ii) it has not sold, hedged or otherwise mitigated its credit risk under or associated with the Retention or the underlying portfolio of Collateral Debt Obligations, except to the extent permitted in accordance with the EU Retention Requirements;

(b) confirmation of any other information or agreements supplied by the Retention Holder as reasonably required to satisfy the EU Retention Requirements from time to time, subject to and in accordance with the Risk Retention Letter;

(c) the calculation of 5 per cent. of the Aggregate Collateral Balance and 5 per cent. of the Target Par Retention Amount for the purposes of determining the Retention and whether a Retention Deficiency has occurred; and

(d) the amount of any Trading Gains paid into the Interest Account since the previous Payment Date.

CM Voting Notes/ CM Non-Voting Notes

For so long as any Class A Notes, Class B Notes, Class C Notes or Class D Notes are Outstanding:

(a) the aggregate Principal Amount Outstanding of all CM Voting Notes;

(b) the aggregate Principal Amount Outstanding of all CM Non-Voting Notes; and

(c) the aggregate Principal Amount Outstanding of all CM Exchangeable Non-Voting Notes.

Contributions

A statement as to whether the Issuer has received any Contributions (to the extent not already specified in a prior Report) and the amounts thereof.

Summary of Transaction Parties

Details of all the entity names of all current parties and any replacement parties to the transaction, their roles and, where subject to a Rating Requirement, their credit ratings (as notified to the Collateral Administrator by each relevant party other than in the case such party is an affiliate of the Collateral Administrator).

Details of the Issuer and Collateral Manager LEIs and Note ISINs (as notified to the Collateral Administrator by the Issuer (or the Collateral Manager on its behalf)).

The contact details of the Issuer (as provided to the Collateral Administrator by the Issuer or the Collateral Manager on its behalf) and the Collateral Administrator.

Details of any ratings downgrades and/or replacements of the Initial Purchaser, the Collateral Manager, the Trustee, the Principal Paying Agent, the Account Bank, the Calculation Agent, the Custodian and each Hedge Counterparty (as applicable) (as notified to the Collateral Administrator by each relevant party other than in the case such party is an affiliate of the Collateral Administrator).

Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall render a report (the "**Payment Date Report**") prepared and determined as of each Determination Date, and made available via a secured website currently located at https://gctinvestorreporting.bnymellon.com (or any such other website as may be notified in writing by the Collateral Administrator to the Collateral Manager) which shall be accessible to the Collateral Manager, the Issuer, the Trustee, the Initial Purchaser, the Registrar, each Hedge Counterparty and the Collateral Manager and as notified by the Issuer (with reasonable assistance, if the Issuer so requires, from the Collateral Manager) to each Rating Agency and the Noteholders from time to time) (or by such other method of dissemination as is required or permitted by the Securitisation Regulation (as instructed by the Issuer (or the Collateral Manager on its behalf) and as agreed with the Collateral Administrator)) to any person who certifies to the Collateral Administrator (such certification to be substantially in the form set out in the Collateral Management Agreement or such other form as may be agreed between the Issuer, the Collateral Administrator and the Collateral Manager from time to time, such certification may be given electronically and upon which certificate the Collateral Administrator shall be entitled to rely absolutely and without enquiry or liability) that it is: (i) the Issuer, (ii) the Trustee, (iii) the Initial Purchaser, (iv) a Hedge Counterparty in respect of which one or more Hedge Transactions have been entered into and remain in force, (v) the Collateral Manager, (vi) a Rating Agency, (vii) a Noteholder, (viii) a Competent Authority, (ix) a potential investor in the Notes, (x) Bloomberg, or (xi) Intex Solutions, Inc. Upon finalisation of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify Euronext Dublin of the Principal Amount Outstanding of each Class of Notes after giving effect to the principal payments, if any, on the relevant Payment Date. The Payment Date Report shall contain the following information.

Portfolio

(a) the Aggregate Principal Balance of the Collateral Debt Obligations as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the Collateral Debt Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Debt Obligations during such Due Period and (B) the disposal of any Collateral Debt Obligations during such Due Period;

(b) subject to any confidentiality obligations binding on the Issuer, a list of, respectively, the Collateral Debt 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 each Class of Notes on the next Payment Date;

(d) EURIBOR for the related Due Period and the Floating Rate of Interest applicable to each Class of Floating Rate Notes during the related Due Period; and

(e) whether a Frequency Switch Event has occurred and the Frequency Switch Measurement Date as notified to the Collateral Administrator by the Collateral Manager or as determined by the Collateral Administrator in consultation with the Collateral Manager.

Payment Date Payments

(a) the amounts payable pursuant to the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments, the Collateral Enhancement Obligation Proceeds 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 Asset Swap Termination Payments, any Interest Rate Hedge Termination Payments and any Defaulted 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 information on each item included under the definition of Interest Coverage Amount; 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.

Risk Retention

The information required pursuant to "*Monthly Reports – Risk Retention*" above.

CM Voting Notes / CM Non-Voting Notes

The information required pursuant to "Monthly Reports – CM Voting Notes / CM Non-Voting Notes" above.

Contributions

A statement as to whether the Issuer has received any Contributions (to the extent not already specified in a prior Report) and the amounts thereof.

Summary of Transaction Parties

Details of all the entity names of all current parties and any replacement parties to the transaction, their roles and, where subject to a Rating Requirement, their credit ratings (as notified to the Collateral Administrator by each relevant party other than in the case such party is an affiliate of the Collateral Administrator).

Details of the Issuer and Collateral Manager LEIs and Note ISINs (as notified to the Collateral Administrator by the Issuer (or the Collateral Manager on its behalf)).

The contact details of the Issuer (as provided to the Collateral Administrator by the Issuer or the Collateral Manager on its behalf) and the Collateral Administrator.

Details of any ratings downgrades and/or replacements of the Initial Purchaser, the Collateral Manager, the Trustee, the Principal Paying Agent, the Account Bank, the Calculation Agent, the Custodian and each Hedge Counterparty (as applicable) (as notified to the Collateral Administrator by each relevant party other than in the case such party is an affiliate of the Collateral Administrator).

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 or the Collateral Manager will have any liability for estimates, approximations or projections contained therein.

In addition, the Collateral Administrator shall provide the Issuer with such other information and in such a format relating to the Portfolio as the Issuer may reasonably request and which is in the possession of the Collateral Administrator, in order for the Issuer to satisfy its obligation to make certain filings of information with the Irish Central Bank and in respect of the preparation of its financial statements and tax returns.

The Collateral Administrator shall permit Intex and Bloomberg to access such Reports (other than the Loan Reports and Investor Reports) and other data files posted on the secured website described above on which such Reports are published by the Collateral Administrator on behalf of the Issuer, and the Issuer consents to such Reports (other than the Loan Reports and Investor Reports) and other data files being made available by Intex and/or Bloomberg to its subscribers provided that Intex and Bloomberg each take reasonable measures to ensure that such Reports and data files are accessed only by users eligible from a securities law perspective to hold Notes.

Each of the defined terms set out in Condition 1 (*Definitions*) of the Conditions, which are set out in full in the Offering Circular and the Trust Deed, are incorporated by reference into the Reports. In addition, the following defined terms are incorporated into the Monthly Reports:

"**Adjusted Moody's Rating Factor**" means, as of any Measurement Date, a number equal to the Moody's Rating Factor determined in the following manner: each applicable rating on credit watch by Moody's that is (a) on possible upgrade will be treated as having been upgraded by one rating subcategory, (b) on possible downgrade 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.

"**Assigned Moody's Rating**" means the monitored publicly available rating or the unpublished monitored loan rating or the credit estimate expressly assigned to a debt obligation (or facility) by Moody's.

"**CFR**" means, with respect to an Obligor of a Collateral Debt 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.

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 Debt Obligations is calculated by summing each of the Industry Diversity Scores which are calculated as follows:

(a) an "**Average Principal Balance**" is calculated by summing the Obligor Principal Balances and dividing by the sum of the aggregate number of Obligors represented;

(b) an "**Obligor Principal Balance**" is calculated for each Obligor represented in the Collateral Debt Obligations by summing the Principal Balances of all Collateral Debt Obligations issued by such Obligor, *provided* that if a Collateral Debt 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 Debt 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 Debt 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,

provided that, in each case, no figure shall be rounded.

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

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
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

"**Moody's Default Probability Rating**" means, with respect to any Collateral Debt Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if the Obligor of such Collateral Debt Obligation has a CFR by Moody's, then such CFR;

(b) if not determined pursuant to paragraph (a) above, if the Obligor of such Collateral Debt 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 paragraphs (a) or (b) above, or if the Obligor of such Collateral Debt 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 paragraphs (a), (b) or (c) above, if a credit estimate has been assigned to such Collateral Debt 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 fifteen month period preceding the date on which the Moody's Default Probability Rating is being determined; provided, that if such credit estimate has been issued or provided by Moody's for a period (x) longer than twelve months but not beyond fifteen months, the Moody's Default Probability Rating will be one subcategory lower than such rating estimate and (y) beyond fifteen months, the Moody's Default Probability Rating will be deemed to be "Caa3";

(e) if not determined pursuant to paragraphs (a), (b), (c) or (d) above, the Moody's Derived Rating; and

(f) if not determined pursuant to paragraphs (a), (b), (c), (d) or (e) above, the Collateral Debt Obligation will be deemed to have a Moody's Default Probability Rating of "Caa3".

"**Moody's Derived Rating**" means, with respect to a Collateral Debt Obligation whose Moody's Rating or Moody's Default Probability Rating cannot be determined pursuant to paragraphs (a), (b), (c) or (d) of the

respective definitions thereof, the Moody's Derived Rating for purposes of paragraph (e) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) shall be determined as set forth below:

(a) with respect to any Corporate Rescue Loan, one subcategory below the facility rating (whether public or private) of such Corporate Rescue Loan rated by Moody's;

(b) if not determined pursuant to paragraph (a) above, if the Obligor of such Collateral Debt Obligation has a long-term issuer rating by Moody's, then such long-term issuer rating;

(c) if not determined pursuant to paragraph (a) or (b) above, if another obligation of the Obligor is rated by Moody's, then by adjusting the rating of the related Moody's rated obligations of the related Obligor by the number of rating sub-categories according to the table below:

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

(d) if not determined pursuant to paragraph (a), (b) or (c) above, if the Obligor of such Collateral Debt Obligation has a corporate family rating by Moody's, then one subcategory below such corporate family rating;

(e) if not determined pursuant to paragraph (a), (b), (c) or (d) above, then by using any one of the methods provided below:

(i) pursuant to the table below:

Type of Collateral Debt Obligation	NRSRO Rating (Public or Private)	Collateral Debt Obligation rated by an NRSRO	Number of Subcategories Relative to Moody's Equivalent of an NRSRO Rating
Not Structured Finance Obligation	≥BBB- or equivalent	Not a Loan or Participation in Loan	-1
Not Structured Finance Obligation	≤BB+ or equivalent	Not a Loan or Participation in Loan	-2
Not Structured Finance Obligation		Loan or Participation in Loan	-2

(ii) if such Collateral Debt Obligation is not rated by an NRSRO but another security or obligation of the Obligor has a public or private rating by an NRSRO (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 paragraph (e)(i) above, and the Moody's Derived Rating for the purposes of paragraph (d) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Debt Obligation will be determined in accordance with the methodology set forth in paragraph (a) above (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this sub paragraph (e)(ii)); or

(iii) if such Collateral Debt Obligation is a Corporate Rescue Loan, no Moody's Derived Rating may be determined based on a rating by an NRSRO or any other rating agency,

provided that, where a Moody's Rating has been derived from an NRSRO Rating pursuant to this sub-paragraph, if the relevant Collateral Debt Obligation has both a Fitch Rating and an S&P Rating, the lower derived Moody's Rating which results will be utilised for these purposes; or

(f) if such Collateral Debt Obligation is not rated by Moody's or an NRSRO and no other security or obligation of the issuer of such Collateral Debt Obligation is rated by Moody's or an NRSRO, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Debt Obligation to assign a rating or rating estimate with respect to such Collateral Debt Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating for purposes of paragraph (d) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Debt Obligation shall be (x) "B3" if the Collateral

Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate will be at least "B3" and if the aggregate principal balance of Collateral Debt Obligations determined pursuant to this paragraph (f) does not exceed 5.0 per cent. of the Aggregate Collateral Balance of all Collateral Debt Obligations or (y) otherwise, "Caa2".

"**Moody's Rating**" means:

(a) with respect to a Collateral Debt Obligation that is a Secured Senior Loan or a Secured Senior Bond:

(i) if such Collateral Debt Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Debt Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;

(iii) if neither paragraph (i) nor (ii) above apply, if the Obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iv) if none of paragraphs (i) through (iii) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(v) if none of paragraphs (i) through (iv) above apply, the Collateral Debt Obligation will be deemed to have a Moody's Rating of "Caa3"; and

(b) with respect to a Collateral Debt Obligation other than a Secured Senior Loan or a Secured Senior Bond:

(i) if such Collateral Debt Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Debt 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 paragraph (i) nor (ii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Debt Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;

(iv) if none of paragraphs (i), (ii) or (iii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Debt 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 paragraphs (i) through (iv) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(vi) if none of paragraphs (i) through (v) above apply, the Collateral Debt Obligation will be deemed to have a Moody's Rating of "Caa3".

The "**Moody's Rating Factor**" relating to any Collateral Debt Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Debt 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 Rating Factor**" is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation, excluding Equity Securities, by its Adjusted Moody's Rating Factor, dividing such sum by the Aggregate Principal Balances of all such Collateral Debt Obligations, excluding Equity Securities, and rounding the result up to the nearest whole number.

"**NRSRO**" means Moody's, Fitch or S&P.

"**NRSRO Rating**" means a Moody's rating, a Fitch rating or an S&P rating.

TAX CONSIDERATIONS

GENERAL

Purchasers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Note.

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer or exercise of any Note should consult their own tax advisers. In particular, no representation is made as to the manner in which payments under the Notes would be characterised by any relevant taxing authority. Potential investors should be aware that the relevant fiscal rules or their interpretation may change, possibly with retrospective effect, and that this summary is not exhaustive. This summary does not constitute legal or tax advice or a guarantee to any potential investor of the tax consequences of investing in the Notes.

ALL PROSPECTIVE INVESTORS SHOULD READ "UNITED STATES FEDERAL INCOME TAXATION - INFORMATION REPORTING AND BACKUP WITHHOLDING TAX" AND "FOREIGN ACCOUNT TAX COMPLIANCE ACT" BELOW FOR A DISCUSSION OF POTENTIAL REPORTING OBLIGATIONS AND MATERIAL CONSEQUENCES OF FAILING TO COMPLY WITH SUCH OBLIGATIONS.

IRISH TAXATION

The following is a summary based on the laws and practices currently in force in Ireland regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Unless otherwise provided below, references in this section to the "EU" and its "Member States" shall not be interpreted so as to include the UK.

Withholding Tax

In general, tax at the standard rate of income tax (currently 20.0 per cent), is required to be withheld from payments of Irish source interest. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the "**1997 Act**") for certain interest bearing securities issued by a body corporate (such as the Issuer) which are quoted on a recognised stock exchange (which would include Euronext Dublin) ("**quoted Eurobonds**").

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

(a) the person by or through whom the payment is made is not in Ireland; or

(b) the payment is made by or through a person in Ireland, and either:

  (i) the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (*e.g.* Euroclear, Clearstream Banking SA and Clearstream Banking AG), or

  (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to the person by or through whom the payment is made in the prescribed form.

So long as the Notes are quoted on a recognised stock exchange and are held in a recognised clearing system such as Euroclear, Clearstream Banking SA or Clearstream Banking AG (or, if not so held, payments on the Notes are made through a paying agent not in Ireland), interest on the Notes can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the quoted Eurobond exemption referred to above does not or ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax provided it is a qualifying company within the meaning of Section 110 of the 1997 Act (a "**Qualifying Company**") and provided the interest is paid to a person resident in either (i) a member state of the European Union (other than Ireland) or (ii) a country with which Ireland has signed a comprehensive double taxation agreement (such a country mentioned in either (i) or (ii) being a "**Relevant**

Territory"). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain limited circumstances a payment of interest by the Issuer which is considered dependent on the results of the Issuer's business or which represents more than a reasonable commercial return can be re-characterised as a distribution subject to dividend withholding tax.

A payment of profit dependent or excessive interest on the Notes will not be re-characterised as a distribution to which dividend withholding tax could apply where, broadly, the Noteholder is either

(i) an Irish tax resident person;

(ii) a person who in respect of the interest is subject under the laws of a Relevant Territory to tax which generally applies to profits, income or gains received from sources outside that territory without any reduction computed by reference to the amount of the interest payment;

(iii) for so long as the Notes remain quoted Eurobonds, neither a person which is a company which directly or indirectly controls the Issuer or which is controlled by a third company which directly or indirectly controls the Issuer nor is a person (including any connected person) (a) from whom the Issuer has acquired assets, (b) to whom the Issuer has made loans or advances, or (c) a person from whom loans or advances held by the Issuer were made or (d) with whom the Issuer has entered into a return agreement (as defined in section 110(1) of the 1997 Act) where the aggregate value of such assets, loans, advances or agreements represents 75 per cent. or more of the assets of the Issuer (such a person falling within this category of person being a "**Specified Person**"); or

(iv) an exempt pension fund, government body or other resident in a Relevant Territory person (which is not a Specified Person).

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank or other agent in Ireland on behalf of any Noteholder.

Finance Act 2019 section 110 changes

An Anti-avoidance Measure contained in the Irish Finance Act 2019 applies to profit dependent or excessive interest paid to a Noteholder that holds 20 per cent. or more of a class of Notes paying such interest where that Noteholder has significant influence over the Issuer. In such circumstances, if the Issuer was in possession of, or was aware of, information that could reasonably be taken to indicate that such interest would not be subject to tax without any reduction computed by reference to the amount of such interest in a EU member state or in a country with which Ireland has a double tax treaty, then the relevant interest will be treated as a distribution for Irish tax purposes.

The consequence of such an amount being treated as a distribution would be that it would not be deductible for the purposes of calculating the taxable profit of the Issuer resulting in a greater corporation tax liability, and the Issuer may have to deduct Irish dividend withholding tax at a rate of 25 per cent. from such payment. An affected Noteholder may be able to avail of a range of exemptions from dividend withholding tax or alternatively may be entitled to obtain a refund of such tax after the deduction has been made. Exemptions are available in circumstances including where the relevant Noteholder is a company not resident in Ireland but controlled by persons who are resident in an EU country or in a double taxation treaty country or where the company concerned is resident in such country and is not controlled by Irish resident persons subject to relevant documentary requirements.

Qualifying Companies Holding Irish Specified Mortgages

Interest or other distributions paid out on the Notes which are profit dependent (to the extent to which such distributions exceed a reasonable commercial rate of return as determined at the creation of the Note) or any part of which exceeds a reasonable commercial return may not be deductible in full to the extent that the interest is associated with a 'specified property business' carried on by that qualifying company. A 'specified property business' of a qualifying company means, subject to a number of exceptions, a business of holding, managing or both holding and managing of "specified mortgages", units in an IREF (within the meaning of Chapter 1B of Part

27 TCA) or shares that derive their value or the greater part of their value directly or indirectly from Irish real estate.

A "specified mortgage" for this purpose is:

(a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, land in Ireland;

(b) a specified agreement which derives all of its value, or the greater part of its value, directly or indirectly, from land in Ireland or a loan to which paragraph (a) applies. A specified agreement is defined in Section 110 TCA and includes certain derivatives, swaps or similar arrangements. A specified mortgage does not include a specified agreement which derives its value or the greater part of its value from a CLO transaction, a CMBS/RMBS transaction, a loan origination business or a sub-participation transaction (as defined in Section 110 TCA); or

(c) any portion of a specified security issued by another qualifying company which carries on the business of holding or managing specified mortgages and which carries a right to results dependent or non-commercial interest.

Where the qualifying company carries on a specified property business in addition to other activities, it must treat the specified property business as a separate business and apportion its expenses on a just and reasonable basis between the separate businesses.

Where the qualifying company has financed itself with loans carrying interest which is dependent on the results of that company's business or interest which represents more than a reasonable commercial return for the use of the principal, or has entered into specified agreements (such as swaps) then the interest or return payable will not be deductible for Irish tax purposes to the extent it exceeds a reasonable commercial return which is not dependent on the results of the qualifying company.

This restriction is subject to a number of exceptions. Transactions which qualify as "CLO transactions" should not be subject to the restrictions described above. A CLO transaction is defined as a securitisation transaction carried out in conformity with:

(a) a prospectus, within the meaning of the Prospectus Regulation;

(b) listing particulars, where any securities issued by the qualifying company are listed on an exchange, other than the main exchange, of Ireland or a relevant Member State; or

(c) legally binding documents, where the securities issued by the qualifying company will not be listed on an exchange in Ireland or a relevant Member State. In addition, the transaction:

    (i) may provide for a warehousing period, which means a period not exceeding 3 years during which time the qualifying company is preparing to issue securities; and

    (ii) must provide for investment eligibility criteria that govern the type and quality of assets to be acquired.

Finally, based on the documents referred to in paragraphs (a) to (c) above and the activities of the qualifying company, in order for a transaction to be a CLO transaction it must not be reasonable to consider that the main purpose, or one of the main purposes, of the qualifying company was to acquire specified mortgages.

In order to benefit from the exception, the qualifying company must not carry out any activities, other than activities which are incidental or preparatory to the transaction or business of a CLO transaction.

As such, the restrictions on deductibility should not apply if either:

(a) the Issuer does not hold or manage specified mortgages; or

(b) the Issuer's activities fall within the definition of a CLO transaction.

Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax and the universal social charge. Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a Relevant Territory provided either (i) the Notes are quoted Eurobonds and are exempt from withholding tax as set out above and the recipient is not a resident of Ireland (ii) in the event of the Notes not being or ceasing to be quoted Eurobonds exempt from withholding tax, if the Issuer is a Qualifying Company, or (iii) if the Issuer has ceased to be a Qualifying Company, the recipient of the interest is a company and the jurisdiction concerned imposes a tax that generally applies to interest receivable in that jurisdiction by companies from sources outside that jurisdiction.

In addition, *provided* that the Notes are quoted Eurobonds and are exempt from withholding tax as set out above, the interest on the Notes will be exempt from Irish income tax if the recipient of the interest is (i) a company under the control, directly or indirectly, of persons who by virtue of the law of a relevant territory are resident in that country and that person or persons are not themselves under the control whether directly or indirectly of a person who is not resident in such a country, or (ii) a company, the principal class of shares of such company, or another company of which the recipient company is a 75 per cent. subsidiary, is substantially and regularly traded on one or more recognised stock exchanges in Ireland or a relevant territory or a stock exchange approved by the Irish Minister for Finance.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Noteholders receiving interest on the Notes which does not fall within any of the above exemptions may be liable to Irish income tax and the universal social charge on such interest.

Capital Gains Tax

A Noteholder will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is resident or ordinarily resident in Ireland or carries on a trade in Ireland through a branch or agency in respect of which the Notes are used or held.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland.

Bearer Notes are generally regarded as situated where they are physically located at any particular time. Registered Notes are generally regarded as situated where the principal register of Noteholders is maintained or is required to be maintained, but the Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they secure a debt due by an Irish resident debtor and they may be secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponer or the donee/successor.

Stamp Duty

Provided the Issuer remains a Qualifying Company no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes provided the money raised on the issue of the Notes is used in the course of the Issuer's business.

Automatic exchange of information

Irish reporting financial institutions, which may include the Issuer have reporting obligations in respect of a Noteholder under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and/or the OECD's Common Reporting Standard (see below).

Information exchange and the implementation of FATCA in Ireland

The Issuer may be obliged to report certain information in respect of certain U.S. investors (*i.e.* the Noteholders) in the Issuer to the Irish Revenue Commissioners who will then share that information with the U.S. tax authorities. FATCA may impose a 30 per cent. US withholding tax on certain 'withholdable payments" made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the IRS to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 Ireland signed an Intergovernmental Agreement (the "**IGA**") with the United States to improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 as amended (the "**Irish Regulations**") implementing the information disclosure obligations Irish reporting financial institutions are required to report certain information with respect to U.S. account holders to the Irish Revenue Commissioners. The Irish Revenue Commissioners will automatically provide that information annually to the IRS. To the extent the Issuer is an Irish reporting financial institution it will need to obtain the necessary information from Noteholders required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information may be sought from each Noteholder and beneficial owner of the Notes. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Irish Revenue Commissioners regardless as to whether the Issuer holds any U.S. assets or has any U.S. investors. Holders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

Common Reporting Standard ("CRS")

The CRS framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this initiates 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 Financial Institutions ("**FIs**") relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CRS, have used FATCA concepts and as such the CRS is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information in respect of the CRS, which was entered into by Ireland in its capacity as a signatory to the Convention on Mutual Administrative Assistance in Tax Matters, while sections 891F and 891G of the 1997 Act and regulations made thereunder contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**"), gave effect to the CRS from 1 January 2016.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and created 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. Section 891G contained measures necessary to implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the "**Regulations**"), gave effect to DAC II from 1 January 2016.

Under the Regulations reporting financial institutions are required to collect certain information on accountholders and on certain Controlling Persons (as defined in the Regulations) in the case of the accountholder(s) being an Entity, as defined for CRS purposes, (*e.g.* name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. Where Notes are held in a clearing system it is understood that either the clearing system itself or the relevant clearing participants are likely to be considered FIs and accordingly the Issuer should not have reporting obligations in respect of Noteholders holding those Notes. In that event the Issuer will make a nil return for that year to the Irish Revenue Commissioners. Further information in relation to CRS and DAC II can be found on the Automatic Exchange of Information webpage on www.revenue.ie.

UNITED STATES FEDERAL INCOME TAXATION

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

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

- an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;
- a corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) that is created or organised in or under the laws of the United States, any State thereof, or the District of Columbia;
- an estate, whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons have the authority to control all of its substantial decisions.

For purposes of this summary, a "Non-U.S. Holder" is a beneficial owner of a 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 have the authority to control any 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 more than 182 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).

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 U.S. federal income tax consequences described herein. This summary addresses only holders that purchase Notes for cash at initial issuance (and, in the case of the Rated Notes, at their issue price (which is the first price at which a substantial amount of Rated Notes within the applicable Class was sold to investors)) and beneficially own such Notes as capital assets and not as part of a "straddle," "hedge," "synthetic security" or a "conversion transaction" for U.S. federal income tax purposes, or as part of some other integrated investment. This summary does not discuss all of the tax consequences (such as alternative minimum tax consequences) that may be relevant to particular investors or to investors subject to special treatment under the U.S. federal income tax laws (such as banks, thrifts, or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; mutual funds or real estate investment trusts; small business investment companies; S corporations; partnerships or investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal income tax purposes; U.S. Holders whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; retirement plans or other tax-exempt

entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts; or "controlled foreign corporations" or "passive foreign investment companies" for U.S. federal income tax purposes). This summary also does not address the tax consequences to shareholders, or other equity holders in, or beneficiaries of, a holder of Notes, or any state, local or foreign tax consequences of the purchase, ownership or disposition of the Notes. This discussion also does not address the tax consequences of a Contribution to a Contributor. Finally, this summary generally does not discuss the U.S. federal income tax treatment of the Class M Notes.

PROSPECTIVE PURCHASERS OF 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 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 operate so as not to be subject to U.S. federal income tax on its net income. In connection with the issuance of the Notes on the Issue Date, the Issuer will receive an opinion from Weil, Gotshal & Manges LLP to the effect that, if the Issuer and the Collateral Manager comply with the Transaction Documents (including certain investment guidelines referenced in the Collateral Management Agreement (the "**U.S. Tax Procedures**")), and certain other assumptions specified in the opinion are satisfied, while there are no authorities that deal with situations substantially identical to the Issuer's, the Issuer's contemplated activities will not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes under current law. This opinion will be based on certain assumptions and certain representations and agreements regarding restrictions on the future activities of the Issuer and the Collateral Manager. The Issuer intends to conduct its business in accordance with the assumptions, representations and agreements upon which such opinion is based. In complying with such assumptions, representations and agreements, the Issuer and the Collateral Manager are entitled to rely in the future upon the advice and/or opinions of their selected counsel, and the opinion of Weil, Gotshal & Manges LLP will assume that any such advice and/or opinions are correct and complete. Investors should also be aware that the opinion of Weil, Gotshal & Manges LLP simply represents counsel's best judgment and is not binding on the IRS or the courts. In this regard, there are no authorities that deal with situations substantially identical to the Issuer's, and the Issuer could be treated as engaged in the conduct of a trade or business within the United States as a result of unanticipated activities, changes in law, contrary conclusions by the IRS or other causes. Failure of the Issuer to comply with the U.S. Tax Procedures or other Transaction Documents may not give rise to a default or an Event of Default under the Trust Deed or the Collateral Management Agreement and may not give rise to a claim against the Issuer or the Collateral Manager. In the event of such a failure, the Issuer could be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes. In addition, the Collateral Management Agreement permits the Issuer to receive written advice or an opinion from other nationally recognised U.S. tax counsel to the effect that certain changes in its structure and operations or deviations from the investment guidelines set out in the Collateral Management Agreement will not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes. The opinion of Weil, Gotshal & Manges LLP does not cover such deviations from the investment guidelines. Moreover, a change in law or its interpretation could result in the Issuer being treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis. The opinion of Weil, Gotshal & Manges LLP does not address the effects of any supplemental trust deeds.

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. federal 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 and state and local taxes as well. The imposition of such taxes on the Issuer would materially adversely affect the Issuer's ability to make payments on the 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 Notes

Upon the issuance of the Notes, the Issuer will receive an opinion of Cadwalader, Wickersham & Taft LLP to the effect that, based on certain assumptions, the Class X Notes, Class A Notes, Class B Notes, Class C Notes and Class D Notes will be treated, and the Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes. The Issuer intends to treat each Class of the Rated Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes. The Issuer's characterisations will be binding on all Noteholders, and

the Trust Deed requires the Noteholders to treat the Rated Notes as indebtedness for U.S. federal, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that the Class E Notes are equity in the Issuer. If any Rated Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, then the Noteholders of those Notes would be subject to the special and potentially adverse U.S. tax rules relating to U.S. equity owners in passive foreign investment companies ("**PFICs**") or CFCs. See "*U.S. Federal Tax Treatment of U.S. Holders of Rated Notes—Possible Treatment of Class E Notes as Equity for U.S. Federal Tax Purposes*" below. Except as otherwise indicated, the balance of this summary assumes that all of the Rated Notes are treated as indebtedness of the Issuer for U.S. federal, state and local income and franchise tax purposes. Prospective investors in the Rated Notes should consult their tax advisors regarding the U.S. federal, state and local income and franchise tax consequences to the investors in the event their Rated Notes are treated as equity in the Issuer.

The Issuer intends to treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, and each holder by its purchase of a Subordinated Note agrees to treat the Subordinated Notes consistently with this treatment.

In addition, although the U.S. federal income tax treatment of the Class M Notes is unclear, the Issuer intends to treat the Class M Notes as equity in the Issuer for U.S. federal income tax purposes. Under this treatment, holders of Class M Notes generally would be subject to the U.S. federal income tax consequences applicable to holders of Subordinated Notes. Prospective investors in the Class M Notes should consult their tax advisors regarding the U.S. federal, state and local income and franchise tax consequences of an investment in the Class M Notes.

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 Rated Notes

Class X Notes , Class A Notes and Class B Notes

Stated Interest. U.S. Holders of Class X Notes, Class A Notes or Class B Notes will include in gross income the U.S. dollar value of payments of stated interest accrued or received on their Notes, in accordance with their usual method of tax accounting, as ordinary interest income.

In general, U.S. Holders of Class X Notes, Class A Notes or Class B Notes that use the cash method of accounting will calculate the U.S. dollar value of payments of stated interest based on the euro-to-U.S. dollar spot exchange rate at the time a payment is received.

In general, U.S. Holders of Class X Notes, Class A Notes or Class B Notes that use the accrual method of accounting or that otherwise are required to accrue stated interest before receipt will calculate the U.S. dollar value of accrued interest based on the average euro-to-U.S. dollar spot exchange rate during the applicable 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 X Notes, Class A Notes or Class B Notes can elect to calculate the U.S. dollar value of accrue 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 X Notes, Class A Notes or Class B Notes also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Class X Notes, Class A Notes o Class B Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of such payments when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Original Issue Discount. In addition, if the discount at which a substantial amount of the Class A Notes, Class B-1 Notes or Class B-2 is first sold to investors is at least 0.25 per cent. of the principal amount of the Class, multiplied by the number of complete years to the weighted average maturity of the Class, then the Issuer will treat the Class as issued with original issue discount ("**OID**") for U.S. federal income tax purposes. The total amount of OID with respect to a Note within the Class will equal the excess of the principal amount of the Note over its issue price (the first price at which a substantial amount of Notes within the Class was sold to investors).

U.S. Holders of Notes that are issued with OID will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders of the Class A Notes, Class B-1 Notes or Class B-2 Notes will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Interest Accrual Period (or, with respect to an Interest 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 the Class A Notes, Class B-1 Notes or Class B-2 Notes can elect to calculate the U.S. dollar value of OID based on the euro-to U.S. dollar spot exchange rate on the last day of the applicable Interest Accrual Period (or, with respect to an Interest 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 Interest Accrual Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder generally will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting). Accruals of any such OID generally will be made using a constant yield method, based on the weighted average life of the applicable Class rather than its stated maturity, possibly with periodic adjustments to reflect the difference between (x) the prepayment assumption under which the weighted average life was calculated and (y) actual prepayments on the Collateral Debt Obligations. It is possible, however, that the IRS could assert and a court could ultimately hold that some other method of accruing OID should apply.

U.S. Holders of Class A Notes, Class B-1 Notes or Class B-2 Notes that are issued with OID also will recognise foreign currency exchange gain or loss on the receipt of principal payments on their Class A Notes, Class B-1 Notes or Class B-2 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 will have a basis in its Class X Note, Class A Note or Class B Note equal to the U.S. dollar value of the cost of such Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by the U.S. dollar value of any amount includable in income as OID (as described above), and (ii) reduced by the U.S. dollar value of payments of principal on such Note (based on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received).

A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class X Note, Class A Note or Class B Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based 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 X Note, Class A Note or Class B Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement (less any accrued and unpaid interest, which will be taxable as described above) and the holder's tax basis in such Note. The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition. However, if such Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the disposition. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Class C Notes, Class D Notes and Class E Notes

Original Issue Discount. The Issuer will treat the Class C Notes, Class D Notes and Class E Notes as issued with OID for U.S. federal income tax purposes. The total amount of OID with respect to a Class C Note, Class D Note or Class E Note will equal the sum of all payments to be received under such Note less its issue price (the first price at which a substantial amount of Notes within the applicable Class was sold to investors). U.S. Holders of the Class C Notes, Class D Notes or Class E 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 C Notes, Class D Notes or Class E Notes generally will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting). Accruals of any such OID generally will be made using a constant yield method, based on the weighted average life of the applicable Class rather than its stated maturity, possibly with periodic adjustments to reflect the difference between (x) the prepayment assumption under which the weighted average life was calculated and (y) actual prepayments on the Collateral Debt Obligations. Accruals of OID on the Class C Notes, Class D Notes and Class E 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 Accrual Period, and then adjusting the accrual for each subsequent Accrual Period based on the difference between the value of EURIBOR used in setting interest for that subsequent Accrual Period and the assumed rate. It is possible, however, that the IRS could assert, and a court could ultimately hold, that some other method of accruing OID on the Class C Notes, Class D Notes and Class E Notes should apply.

U.S. Holders of Class C Notes, Class D Notes or Class E Notes also will recognise foreign currency exchange gain or loss on the receipt of interest and/or principal payments on their Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of the corresponding amounts of OID when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Sale, Exchange, or Retirement. In general, a U.S. Holder of a Class C Note, Class D Note or Class E 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 C Note, Class D Note or Class E Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class C Note, Class D Note or Class E 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 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.

The Designation of an Alternative Base Rate.

The U.S. federal income tax treatment of the designation of an Alternative Base Rate is unclear. If the designation of an Alternative Base Rate is treated as a "significant modification" for U.S. federal income tax purposes, the designation an Alternative Base Rate could cause a U.S. Holder that holds Notes that are subject to the designation of an Alternative Base Rate to recognize gain for U.S. federal income tax purposes equal to the difference, if any, between (a)(i) the fair market value of the modified Notes (if, as expected, the Class is treated as publicly traded) or their principal amount (if the Class is not treated as publicly traded), less (ii) any accrued and unpaid interest (which will be taxable as such), and (b) the U.S. Holder's tax basis in the Notes. Any gain will be long-term capital gain if the applicable Notes were held for more than one year at the time of the designation of an Alternative Base Rate, or otherwise short-term capital gain. The tax on any such gain may exceed the after-tax distributions on the modified Notes during the taxable year in which the designation of an Alternative Base Rate occurs, in which case the U.S. Holder would be required to fund its tax liability in respect of the gain from other sources. In the event that the designation of an Alternative Base Rate is treated as a significant modification for U.S. federal income tax purposes, it is possible that the U.S. Holder's holding period in respect of the modified Notes will begin on the day following the modification. U.S. Holders may not be permitted to recognise loss upon the designation of an Alternative Base Rate. Finally, the designation of an Alternative Base Rate could create or change the amount of any OID that U.S. Holders are required to include with respect to their Notes. U.S. Holders should consult their tax advisors regarding the tax consequences of the designation of an Alternative Base Rate.

Alternative Characterisation.

It is possible that the Rated Notes could be treated as "contingent payment debt instruments" for U.S. federal income tax purposes. In this event, the timing of a U.S. Holder's OID inclusions could differ from that described above and any gain recognised on the sale, exchange, or retirement of such Notes would be treated as ordinary income and not as capital gain.

Receipt of Euro.

U.S. Holders will have a tax basis in any euro received in respect of the Notes on a sale, redemption, or other disposition of the Notes equal to the U.S. dollar value of the euro on that date. Any gain or loss recognised on a sale, exchange, or other disposition of those euro generally will be ordinary income or loss. A U.S. Holder that converts the euro into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Possible Treatment of Class E Notes as Equity for U.S. Federal Tax Purposes

As described above under "*U.S. Federal Tax Treatment of the Notes*", the Issuer intends to treat the Class E Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes, and the Trust Deed requires Noteholders to treat the Class E Notes 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 the Class E Notes are equity in the Issuer for U.S. federal income tax purposes.

If the Class E Notes are treated as equity in the Issuer, because the Issuer will be a PFIC for U.S. federal income tax purposes, gain on the sale of the Class E Notes could be treated as ordinary income and subject to an additional tax in the nature of interest, and certain interest on such Notes could be subject to the additional tax. A U.S. Holder of such Notes might be able to avoid the ordinary income treatment and additional tax by writing "Protective QEF Election" on the top of an IRS Form 8621, filling out the form, checking Box A (Election to Treat the PFIC as a QEF) and filing the form with the IRS with respect to their Class E Notes, or by filing a protective statement with the IRS preserving the U.S. Holder's ability to elect retroactively to treat the Issuer as a "qualified electing fund" (a "**QEF**") and so electing at the appropriate time. Such a U.S. Holder also will be required to file an annual PFIC report. The Issuer will provide, upon request and at the expense of the requesting U.S. Holder, all information and

documentation that a U.S. Holder of Class E Notes making a "protective" QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

Alternatively, if the Class E Notes are treated as equity in the Issuer, the Issuer is a CFC, and a U.S. Holder of such Notes also is treated as a 10 per cent. United States shareholder with respect to the Issuer, then the U.S. Holder generally would be subject to the rules discussed below under "*U.S. Federal Tax Treatment of U.S. Holders of Subordinated Notes —Investment in a Controlled Foreign Corporation*" with respect to its Class E Notes.

If the Issuer holds a Collateral Debt Obligation that is treated as equity in a foreign corporation for U.S. federal income tax purposes, and if the Class E Notes are treated as equity in the Issuer, U.S. Holders of Class E Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences. In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC. Thus, there can be no assurance that a U.S. Holder will be able to make the election with respect to any indirectly held PFIC.

In addition, if the Class E Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Holder of such Notes would be required to file an IRS Form 926 with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the U.S. Holder's purchase of such Notes, at least 10 per cent. by vote or value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such purchase exceeds $100,000. U.S. Holders may wish to file a "protective" IRS Form 926 with respect to their Class E Notes.

Finally, if the Class E Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Holder of such Notes will be required to file an IRS Form 5471 with the IRS if the U.S. Holder is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes, and may be required to provide additional information regarding the Issuer annually on IRS Form 5471 if the U.S. Holder is treated as owning (actually or constructively) more than 50 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes. U.S. Holders may wish to file a "protective" IRS Form 5471 with respect to their Class E Notes.

U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to their U.S. tax returns. Prospective U.S. Holders of Class E Notes should consult with their tax advisors regarding whether to make a protective QEF election and protective filings of IRS Forms 8621, 926 and 5471 with respect to such Notes and the consequences to them if the Class E Notes are treated as equity in the Issuer.

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

Investment in a Passive Foreign Investment Company. The Issuer will be a PFIC for U.S. federal income tax purposes, and U.S. Holders of Subordinated Notes will be subject to the PFIC rules, except for certain U.S. Holders that are subject to the rules relating to a CFC (as described below under "*Investment in a Controlled Foreign Corporation*"). U.S. Holders of Subordinated Notes should consider making an election to treat the Issuer as a QEF. Generally, a U.S. Holder makes a QEF election on IRS Form 8621, attaching a copy of that form to its U.S. federal income tax return for the first taxable year for which it held its Subordinated Notes. If a U.S. Holder makes a timely QEF election with respect to the Issuer, the electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's ordinary earnings and (ii) as long-term capital gain, the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's net capital gain, whether or not distributed. A U.S. Holder will not be eligible for the dividends received deduction in respect of such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to the U.S. Holder and may not be carried back or forward in computing the Issuer's ordinary earnings and net capital gain in other taxable years. If applicable, the rules relating to a CFC, discussed below generally override those relating to a PFIC with respect to which a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, the electing U.S. Holder may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income, subject to an interest charge (which is nondeductible to individuals) on the deferred amount. In this regard, prospective purchasers of Subordinated Notes should be aware that it is expected that the Collateral Debt Obligations will include high-yield debt obligations and such instruments may have substantial OID, the cash payment of which

may be deferred, perhaps for a substantial period of time. In addition, the Issuer may use proceeds from the sale of Collateral Debt Obligations to retire other classes of Notes. As a result, in any given year, the Issuer may have substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

The Issuer will provide, upon request and at the Issuer's expense, all information and documentation that a U.S. Holder making a QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of Subordinated Notes (other than certain U.S. Holders that are subject to the rules relating to a CFC, described below) that does not make a timely QEF election will be required to report the U.S. dollar value of any gain on the disposition of its Subordinated Notes as ordinary income, rather than capital gain, and to compute the tax liability on such gain and any "Excess Distribution" (as defined below) received in respect of the Subordinated Notes as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Subordinated Notes. The U.S. Holder will be subject to tax on such gain or Excess Distributions at the highest ordinary income tax rate for each taxable year in which such gain or Excess Distributions are treated as having been earned, other than the current year (for which the U.S. Holder's regular ordinary income tax rate will apply), regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for an interest charge (which is nondeductible to individuals) as if such income tax liabilities had been due with respect to each such year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganisations and use of the Subordinated Notes as security for a loan may be treated as taxable dispositions of such Subordinated Notes. In addition, a stepped-up basis in the Subordinated Notes will not be available upon the death of an individual U.S. Holder who has not made a timely QEF election with respect to the Issuer.

An "**Excess Distribution**" is the amount by which the U.S. dollar value of distributions during a taxable year in respect of a Note exceeds 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Note).

In many cases, the U.S. federal income tax on any gain on disposition or receipt of Excess Distributions is likely to be substantially greater than the tax if a timely QEF election is made. A U.S. HOLDER OF SUBORDINATED NOTES SHOULD STRONGLY CONSIDER MAKING A QEF ELECTION WITH RESPECT TO THE ISSUER.

Investment in a Controlled Foreign Corporation. The Issuer will be a CFC if more than 50 per cent. of the equity interests in the Issuer, measured by reference to combined voting power or value, are owned directly, indirectly, or constructively by 10 per cent. United States shareholders. For this purpose, a "**10 per cent. United States shareholder**" is any United States person that possesses directly, indirectly, or constructively 10 per cent. or more of the combined voting power or value of all classes of equity in the Issuer. Thus, a U.S. Holder of Subordinated Notes (and/or any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes) possessing directly, indirectly, or constructively 10 per cent. or more of the voting power or value of the Subordinated Notes (and, if applicable, any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes) would be treated as a 10 per cent. United States shareholder. If more than 50 per cent. of the Subordinated Notes (and any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes), determined with respect to the combined voting power or value of the Subordinated Notes (and, if applicable, any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes), are owned directly, indirectly, or constructively by such 10 per cent. United States shareholders, the Issuer will be treated as a CFC. If, for any given taxable year, the Issuer is treated as a CFC, a 10 per cent. United States shareholder of the Issuer will be required to include as ordinary income an amount equal to the U.S. dollar value of that person's *pro rata* share of the Issuer's "subpart F income" at the end of such taxable year. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were a CFC, all of its income would be subpart F income.

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, the Issuer will not be treated as a PFIC with respect to the U.S. Holder for the period during which the Issuer remains a CFC and the U.S. Holder remains a 10 per cent. United States shareholder of the Issuer (the "qualified portion" of the U.S. Holder's holding period for the Subordinated Notes). As a result, to the extent the Issuer's subpart F income includes net capital gains, such gains will be treated as ordinary income to the 10 per

cent. United States shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules. If the qualified portion of the U.S. Holder's holding period for the Subordinated Notes subsequently ceases (either because the Issuer ceases to be a CFC or the U.S. Holder ceases to be a 10 per cent. United States shareholder), then solely for purposes of the PFIC rules, the U.S. Holder's holding period for the Subordinated Notes will be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder has owned any Subordinated Notes for any period of time prior to such qualified portion and has not made a QEF election with respect to the Issuer. In that case, the Issuer will again be treated as a PFIC which is not a QEF with respect to the U.S. Holder and the beginning of the U.S. Holder's holding period for the Subordinated Notes will continue to be the date upon which the U.S. Holder acquired the Subordinated Notes, unless the U.S. Holder makes an election to recognise gain with respect to the Subordinated Notes and a QEF election with respect to the Issuer. In the event that the Issuer is a CFC, then, at the request and expense of any U.S. Holder that is a 10 per cent. United States shareholder with respect to the Issuer, the Issuer will provide the information necessary for the U.S. Holder to comply with any filing requirements that arise as a result of the Issuer's classification as a CFC.

Indirect Interests in PFICs and CFCs. If the Issuer owns a Collateral Debt Obligation that is treated as equity in a foreign corporation for U.S. federal income tax purposes, U.S. Holders of Subordinated Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences.

In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC, and thus there can be no assurance that a U.S. Holder will be able to make the election with respect to any indirectly held PFIC.

Accordingly, if the U.S. Holder has not made a QEF election with respect to the indirectly held PFIC, the U.S. Holder would be subject to the adverse consequences described above under "*Investment in a Passive Foreign Investment Company*" with respect to any Excess Distributions of such indirectly held PFIC, any gain indirectly realised by such U.S. Holder on the sale by the Issuer of such PFIC, and any gain indirectly realised by such U.S. Holder with respect to the indirectly held PFIC on the sale by the U.S. Holder of its Subordinated Notes (which may arise even if the U.S. Holder realises a loss on such sale). Moreover, if the U.S. Holder has made a QEF election with respect to the indirectly held PFIC, the U.S. Holder will be required to include in income the U.S. dollar value of its *pro rata* share of the indirectly held PFIC's ordinary earnings and net capital gain as if the indirectly held PFIC were held directly (as described above), and the U.S. Holder will not be permitted to use any losses or other expenses of the Issuer to offset such ordinary earnings and/or net capital gains. Accordingly, if any of the Collateral Debt Obligations are treated as equity interests in a PFIC, U.S. Holders could experience significant amounts of "phantom" income with respect to such interests.

If a Collateral Debt Obligation is treated as an indirect equity interest in a CFC and a U.S. Holder owns directly, indirectly, or constructively 10 per cent. or more of the CFC's voting power or value for U.S. federal income tax purposes, the U.S. Holder generally will be required to include the U.S. dollar value of its *pro rata* share of the CFC's "subpart F income" as ordinary income at the end of each taxable year, as described above under "*Investment in a Controlled Foreign Corporation*," regardless of whether the CFC distributed any amounts to the Issuer during such taxable year or whether the U.S. Holder made a QEF election with respect to the indirectly held CFC. In addition, the U.S. dollar value of gain realised by the U.S. Holder on the sale by the Issuer of the CFC, and the U.S. dollar value of gain realised by the U.S. Holder on the sale by the U.S. Holder of its Subordinated Notes (as described below), generally will be treated as ordinary income to the extent of the U.S. Holder's *pro rata* share of the CFC's current and accumulated earnings and profits, reduced by any amounts previously taxed pursuant to the CFC rules. U.S. Holders should consult their own tax advisors regarding the tax issues associated with such investments in light of their own individual circumstances.

Phantom Income. U.S. Holders may be subject to U.S. federal income tax on the amounts that exceed the distributions they receive on the Subordinated Notes. For example, if the Issuer is a CFC and a U.S. Holder is a 10 per cent. United States shareholder with respect to the Issuer, or a U.S. Holder makes a QEF election with respect to the Issuer, the U.S. Holder will be subject to federal income tax with respect to its share of the Issuer's income and gain (to the extent of the Issuer's "earnings and profits"), which may exceed the Issuer's distributions. It is expected that the Issuer's income and gain (and earnings and profits) will exceed cash distributions with respect to (i) debt instruments that were issued with OID and are held by the Issuer, and (ii) the acquisition at a discount of the Rated Notes by the Issuer (including by reason of a Refinancing or any deemed exchange that occurs for U.S. federal income tax purposes as a result of the designation of an Alternative Base Rate or a

modification of the Trust Deed). U.S. Holders should consult their tax advisors regarding the timing of income and gain on the Subordinated Notes.

Distributions. The treatment of actual distributions of cash on the Subordinated Notes will vary depending on whether the U.S. Holder of such Subordinated Notes has made a timely QEF election (as described above). See "*Investment in a Passive Foreign Investment Company*." If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to such U.S. Holder. Distributions in excess of such previously taxed amounts will be treated first as a nontaxable return of capital, to the extent of the U.S. Holder's adjusted tax basis in the Subordinated Notes (as described below under "—*Sale, Redemption, or Other Disposition*"), and then as a disposition of a portion of the Subordinated Notes. In addition, a U.S. Holder will recognise exchange gain or loss with respect to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) equal to the difference, if any, between the U.S. dollar value of the distribution on the date received and the U.S. dollar value of the previously taxed amount. Any exchange gain or loss will generally be treated as ordinary income or loss.

If a U.S. Holder has not made a timely QEF election with respect to the Issuer then, except to the extent that distributions are attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Subordinated Notes may constitute Excess Distributions, taxable as described above under the heading "*Investment in a Passive Foreign Investment Company*." Distributions that do not constitute Excess Distributions will be taxable to U.S. Holders as ordinary income upon receipt to the extent of untaxed current and accumulated earnings and profits of the Issuer. Distributions that do not constitute Excess Distributions and are in excess of untaxed current and accumulated earnings and profits of the Issuer will be treated first as a nontaxable return of capital, to the extent of a U.S. Holder's adjusted tax basis in the Subordinated Notes, and then as a disposition of a portion of the Subordinated Notes and subject to an additional tax reflecting a deemed interest charge, as described below under "*Sale, Redemption, or Other Disposition*".

Distributions on the Subordinated Notes will not be eligible for the dividends received deduction, and will not qualify as "qualified dividend income."

Sale, Redemption, or Other Disposition. In general, a U.S. Holder of Subordinated Notes will recognise gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes (including a distribution that is treated as a disposition of the Subordinated Notes, as described above under "*Distributions*") equal to the difference between the U.S. dollar value of the amount realised and the U.S. Holder's adjusted tax basis in the Subordinated Notes. The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition. However, if the Subordinated Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the disposition. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year.

A U.S. Holder's tax basis in its Subordinated Notes initially will equal the U.S. dollar value of the amount paid by the U.S. Holder for the Subordinated Notes, determined under rules analogous to the rules for determining the U.S. dollar value of the amount realised. The U.S. Holder's tax basis in the Subordinated Notes will be increased by amounts taxable to the U.S. Holder by reason of any QEF election, or by reason of the CFC rules, as applicable, and decreased by the U.S. dollar value of actual distributions by the Issuer that are deemed to consist of such previously taxed amounts or are treated as a nontaxable return of capital, as described above under "*Distributions*".

If the U.S. Holder has made a timely QEF election with respect to the Issuer, then, except to the extent that the Issuer is treated as a CFC and the U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the QEF election from the date of each deemed distribution pursuant to the election (based on the average euro-to-U.S. dollar exchange rate for the applicable taxable year) to the date of the disposition. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the Subordinated Notes for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

If a U.S. Holder does not make a timely QEF election with respect to the Issuer as described above and is not subject to the CFC rules, any gain realised on the sale, redemption, or other disposition of a Subordinated Note (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See "*—Investment in a Passive Foreign Investment Company.*"

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, then any gain or loss realised by the U.S. Holder upon a sale, redemption, or other disposition of the Subordinated Notes, other than gain or loss subject to the PFIC rules, if applicable, generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the CFC rules from the date of each deemed distribution pursuant to the CFC rules (based on the average euro-to-U.S. dollar exchange rate for the applicable taxable year) to the date of the disposition. Any gain in excess of foreign currency exchange gain will be treated as ordinary income to the extent of the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's previously untaxed earnings and profits.

In addition, as described above under "*Indirect Interests in PFICs and CFCs*," the U.S. dollar value of any gain attributable to interests in PFICs or CFCs owned by the Issuer may be treated as ordinary income to a U.S. Holder upon the sale, redemption, or other disposition of the U.S. Holder's Subordinated Notes.

If the Issuer is treated as a CFC, in certain cases, a corporate U.S. Holder that is a 10 per cent. United States shareholder of the Issuer may be eligible for a dividends received deduction to the extent any gain recognized on the disposition of a Subordinated Note is treated as ordinary income, or to the extent that such 10 per cent. United States shareholder receives a distribution that is treated as a dividend in the year in which it disposes of a Subordinated Note, in each case, for U.S. federal income tax purposes. Such U.S. Holders should consult their tax advisors regarding the availability of any dividends received deduction and the impact of such dividends received deduction on any such U.S. Holder's adjusted tax basis in its Subordinated Notes.

Receipt of Euro. U.S. Holders will have a tax basis in any euro received in respect of the Notes on a sale, redemption, or other disposition of the Notes equal to the U.S. dollar value of the euro on that date. Any gain or loss recognised on a sale, exchange, or other disposition of those euro generally will be ordinary income or loss. A U.S. Holder that converts the euro into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Transfer and Information Reporting Requirements. A U.S. Holder that purchases the Subordinated Notes will be required to file an IRS Form 926 with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the U.S. Holder's purchase of Notes, at least 10 per cent. by vote or value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such transfer exceeds $100,000.

A U.S. Holder that is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes will be required to file an information return on IRS Form 5471, and may be required to provide additional information regarding the Issuer annually on IRS Form 5471 if it is treated as owning (actually or constructively) more than 50 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes.

In addition, U.S. Holders generally will be required to file an annual PFIC report.

U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to their U.S. tax returns. U.S. Holders should consult their tax advisors with respect to these or any other reporting requirements that may apply with respect to their acquisition or ownership of the Subordinated Notes.

Specified Foreign Financial Asset Reporting

Certain U.S. Holders may be subject to reporting obligations with respect to their Notes if they do not hold their Notes in an account maintained by a financial institution and the aggregate value of their Notes and certain other "specified foreign financial assets" (applying certain attribution rules) exceeds $50,000. . Significant penalties can apply if a U.S. Holder is required to disclose its Notes and fails to do so.

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 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. 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 above. U.S. Holders should consult their advisors with respect to the 3.8 per cent. Medicare tax.

FBAR Reporting

A U.S. Holder of any Class of Notes that are treated as equity in the Issuer for U.S. federal income tax purposes may be required to file FinCEN Form 114 with respect to foreign financial accounts in which the Issuer has a financial interest if the U.S. Holder holds more than 50 per cent. of the aggregate outstanding principal amount of such Notes or is otherwise treated as owning more than 50 per cent. of the total value or voting power of the Issuer's outstanding equity.

Reportable Transactions

A participant in a "reportable transaction" is required to disclose its participation in such a transaction on IRS Form 8886. Any foreign currency exchange loss in excess of $50,000 recognised by a U.S. Holder may be subject to this disclosure requirement. Failure to comply with this disclosure requirement can result in substantial penalties. U.S. Holders should consult their advisors with respect to the requirement to disclose reportable transactions.

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

In general, payments on the Notes to a Non-U.S. Holder that provides appropriate tax certifications to the Issuer and gain realised on the sale, exchange or retirement of the Notes by the Non-U.S. Holder, will not be subject to U.S. federal income or withholding tax unless (i) such income is effectively connected with a trade or business conducted by such Non-U.S. Holder in the United States, or (ii) in the case of gain, such Non-U.S. Holder is a nonresident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied.

Information Reporting and Backup Withholding

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. Under an intergovernmental agreement entered into between the United States and Ireland, the Issuer will not be subject to withholding under FATCA if it complies with Irish regulations that require the Issuer to provide the name, address, and taxpayer identification number of, and certain other information (including a Noteholder's direct or indirect owners or beneficial owners) with respect to, certain Noteholders to the Irish Revenue Commissioners, which would then provide this information to the IRS. There can be no assurance that the Issuer will be able to comply with these regulations. Moreover, the intergovernmental agreement could be amended to require the Issuer to withhold on "passthru" payments to certain investors that fail to provide certain information to the Issuer or are "foreign financial institutions" that do not comply with FATCA.

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

Future Legislation and Regulatory Changes Affecting Noteholders

Future legislation, regulations, rulings or other authority could affect the federal income tax treatment of the Issuer and Noteholders. The Issuer cannot predict whether and to what extent any such legislative or administrative changes could change the tax consequences to the Issuer and to the Noteholders. Prospective Noteholders should consult their tax advisors regarding possible legislative and administrative changes and their effect on the federal tax treatment of the Issuer and their investment in the Notes.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR NOTEHOLDER. EACH PROSPECTIVE NOTEHOLDER IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE NOTEHOLDER'S OWN CIRCUMSTANCES.

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on "**employee benefit plans**" subject thereto and on 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 investments being made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

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 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 regulations, 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 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 X Notes, Class A Notes, Class B Notes, Class C Notes and the Class D 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 X Notes, Class A Notes, Class B Notes, Class C Notes and Class D 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 E Notes, Class M Notes and the Subordinated Notes for purposes of the Plan Asset Regulation are less certain. The Class E Notes, the Class M Notes and the Subordinated Notes will likely be considered "equity interests" for purposes of the Plan Asset Regulation. Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in Class E Notes Class M Notes and Subordinated Notes. In reliance on representations made by investors in the Class E Notes,

Class M Notes and Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in Class E Notes, Class M Notes and Subordinated Notes to less than 25 per cent. the total value of the Class E Notes, the Class M Notes and the Subordinated Notes at all times (determined separately by Class and excluding for purposes of such calculation Class E Notes, Class M Notes and Subordinated Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E Note, a Class M Note or a Subordinated Note will be required 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 E Note, Class M 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 E Notes, the Class M 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 E Note, each Class M 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 X Notes, Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class M Notes and Subordinated 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 X Notes, Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class M Notes and Subordinated 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 at 29 C.F.R. Section 2550.401c -1.

Each purchaser and transferee of a Class X Note, Class A Note, Class B Note Class C Note or Class D Note or any interest in such Note will be deemed to have represented, warranted and agreed that (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds 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 and disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other Plan, a violation of any 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.

Each purchaser or transferee of a Class E Note, a Class M Note or a Subordinated Note will be deemed to represent, warrant and agree that (i) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person it

receives the written consent of the Issuer (other than in the case of the Retention Notes), provides an ERISA certificate to the Issuer (substantially in the form of Annex A – Part 1 (*Form of ERISA Certificate*)) as to its status as a Benefit Plan Investor or Controlling Person and any transferor of a Class E Note, Class M Note or Subordinated Note that is a Benefit Plan Investor agrees that, upon any such transfer it shall provide a certificate substantially in the form of Annex A – Part 2 (*Form of ERISA Transfer Certificate*) to the Issuer and the Transfer Agent notifying whether or not the transferee thereof is a Benefit Plan Investor,; and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, 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 and/or Section 4975 of the Code, 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 interests therein will not be, subject to any federal, state, local, non-U.S. or other 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) its acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a violation of any Other Plan Law and (3) it will agree to certain transfer restrictions regarding its interest in such Notes. A purchaser or transferee of a Class E Note, Class M Note or Subordinated Note forming part of the Retention Notes, shall represent whether or not it is (i) a Benefit Plan Investor or acting on behalf of a Benefit Plan Investor or (ii) a Controlling Person.

If the purchaser or transferee of any Notes or beneficial interest therein is a Benefit Plan Investor, it will be deemed to represent, warrant and agree that (i) none of the Issuer, the Initial Purchaser, the Sole Arranger, the Trustee, the Collateral Manager, the Collateral Administrator or any of their affiliates has provided any investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor, or to the party responsible for making the investment decision to invest in any Notes ("**Fiduciary**"), in connection with its acquisition of Notes, and (ii) the Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

No transfer of an interest in Class E Notes, Class M 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 E Notes, the Class M 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

Barclays Bank PLC or an affiliate thereof (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 pursuant to the Subscription Agreement, at the following issue prices:

(a) Class X Notes, 100.00 per cent.;

(b) Class A Notes, 100.00 per cent.;

(c) Class B-1 Notes, 100.00 per cent.;

(d) Class B-2 Notes, 100.00 per cent.;

(e) Class C Notes, 100.00 per cent.;

(f) Class D Notes, 100.00 per cent.;

(g) Class E Notes, 95.00 per cent.;

(h) Class M Notes, 0.01 per cent.; and

(i) Subordinated Notes, 100.00 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. Each of the Issuer and the Initial Purchaser may offer the Notes at prices as may be privately negotiated at the time of sale, which may vary among different purchasers and may be different from the issue price of the Notes.

It is a condition of the issue of the Notes of each Class that the Notes of each other Class be issued in the following principal amounts: Class X Notes: €2,000,000, Class A Notes: €174,700,000, Class B-1 Notes: €20,000,000, Class B-2 Notes: €10,800,000, Class C Notes: €21,500,000, Class D Notes: €17,800,000, Class E Notes: €15,300,000, Class M Notes: €250,000 and the Subordinated Notes: €33,700,000.

The Collateral Manager has agreed with the Issuer and the Initial Purchaser, subject to the satisfaction of certain conditions, to purchase the Retention Notes on the Issue Date from the Initial Purchaser pursuant to Retention Note Purchase Agreement to be entered into by the Initial Purchaser and the Retention Holder.

The Issuer has agreed to indemnify the Initial Purchaser, the Collateral 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 Debt 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 Debt 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 Debt 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 or the Retention Holder 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.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S) 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 offer the Notes (a) outside the United States to non-U.S. Persons (as defined in Regulation S) in offshore transactions in reliance on Regulation S and in accordance with applicable law and (b) in the United States (directly or through its U.S. broker dealer Affiliate) in reliance on Rule 144A only to or for the accounts of QIBs, each of which purchasers or accountholders is also a QP.

The Notes sold in reliance on Rule 144A will be issued in minimum denominations of €250,000, each and integral multiples of (i) in respect of the Class M Notes only, €1.00, and (ii) in respect of each other Class of Notes, €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 (as defined in Regulation S) or U.S. Resident as part of their distribution at any time.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes of each Class on the Global Exchange Market of Euronext Dublin. The Issuer and the Initial Purchaser reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. Person (as defined in Regulation S). Distribution of this Offering Circular to any such U.S. Person (as defined in Regulation S) or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Other Selling Restrictions

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

United Kingdom: The Initial Purchaser, which is authorised by the PRA and regulated by the Financial Conduct Authority and the PRA, 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.

Prohibition of Sales to EEA and United Kingdom Retail Investors: The Initial Purchaser has represented, warranted and agreed that:

(a) it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

(i) the expression "retail investor" means a person who is one (or more) of the following:

(A) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(B) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(C) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and

(ii) the expression "offer" includes 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;

The Initial Purchaser has also agreed to comply with the following selling restrictions in respect of the Notes:

State of Connecticut: The Notes have not been registered under the Connecticut Securities Law. The Notes are subject to restrictions on transferability and sale.

State of Florida: The Notes offered hereby will be sold to, and acquired by, the holder in a transaction exempt under Section 517.061 of the Florida Securities Act. The Notes have not been registered under the Florida Securities Act in the state of Florida. In addition, if sales are made to five or more persons in Florida, all Florida purchasers other than exempt institutions specified in Section 517.061(7) of the Florida Securities Act shall have the privilege of voiding the purchase within three (3) days after the first tender of consideration is made by such purchaser to the Issuer, an agent of the Issuer, or an escrow agent.

State of Georgia: The Notes have been issued or sold in reliance on paragraph (13) of Code Section 10-5-9 of the Georgia Securities Act of 1973, and will therefore not be sold or transferred except in a transaction which is exempt under such Act or pursuant to an effective registration under such Act.

Australia: Neither this Offering Circular nor any other prospectus or disclosure document (as defined in the Corporations Act 2001 (the "**Corporations Act**")) in relation to the Notes has been or will be lodged with the Australian Securities and Investments Commission. The Initial Purchaser has therefore represented and agreed that:

(a) the Notes will not be offered or sold, directly or indirectly, in Australia, its territories or possessions, or to any resident of Australia, except by way of an offer or sale not required to be disclosed pursuant to Part 6D.2 or Part 7.9 of the Corporations Act; and

(b) no recommendation to acquire, offer or invitation for issue or sale, offer or invitation to arrange the issue or sale, or issue or sale, has been or will be made to a 'retail client' (as defined in Section 761G of the Corporations Act and applicable regulations) in Australia. This document will only be provided to 'professional investors' as defined in the Corporations Act.

Austria: No prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (*Kapitalmarktgesetz – KMG*) (the "**KMG**") as amended. Neither this Offering Circular nor any other document connected therewith constitutes a prospectus according to the KMG and neither this Offering Circular nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Initial Purchaser. No document pursuant to Regulation 2017/1129/EU has been or will be drawn up and approved in Austria and no document pursuant to Regulation 2017/1129/EU has been or will be passported into Austria as the Notes will be offered in Austria in reliance an on exemption from the document publication requirement under the KMG. The Initial Purchaser has represented and agreed that it will offer the Notes in Austria only in compliance with the provisions of the KMG, and Notes will therefore not be publicly offered or (re)sold in Austria without a document being published or an applicable exemption from such requirement being relied upon.

Bahrain: This Offering Circular has not been approved by the Central Bank of Bahrain which takes no responsibility for its contents. The Initial Purchaser has represented and agreed that no offer to the public to purchase the Notes will be made in the Kingdom of Bahrain and this Offering Circular is intended to be read by the addressee only and will not be passed to, issued to, or shown to the public generally.

Belgium: The offering of Notes has not been and will not be notified to the Belgian Financial Services and Markets Authority (*autoriteit voor financiële diensten en markten/autorité des services et marchés financiers*) nor has this Offering Circular been, nor will it be, approved by the Belgian Financial Services and Markets Authority. The Notes may not be distributed in Belgium by way of an offer of the Notes to the public, as defined in Article 3, §1

of the Act of 16 June 2006 relating to public offers of investment instruments, as amended or replaced from time to time and taking into account the provisions of the Prospectus Regulation (as may be amended or superseded from time to time) that are sufficiently clear, precise and unconditional to be capable of vertical direct effect, save in those circumstances (commonly called 'private placement') set out in Article 3 §2 of the Act of 16 June 2006 relating to public offers of investment instruments, as amended or replaced from time to time and taking into account the provisions of the Prospectus Regulation (as may be amended or superseded from time to time) that are sufficiently clear, precise and unconditional to be capable of vertical direct effect. This document will be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Notes. The Initial Purchaser has represented and agreed that it will not:

(a) offer for sale, sell or market the Notes in Belgium otherwise than in conformity with the Act of 16 June 2006 taking into account the provisions of the Prospectus Regulation (as may be amended or superseded from time to time) that are sufficiently clear, precise and unconditional to be capable of vertical direct effect; and

(b) offer for sale, sell or market the Notes to any person qualifying as a consumer within the meaning of Article I.1 of the Code of Economic Law, as modified, otherwise than in conformity with such code and its implementing regulations.

Cayman Islands: The Initial Purchaser has represented and agreed that it will not make any invitation to the public in the Cayman Islands to subscribe for the Notes.

Cyprus: This document does not constitute an offer or solicitation to the public in Cyprus or to anyone in Cyprus other than a firm offering investment services, an insurance company or an undertaking for collective investment in transferable securities. This document does not constitute an offer or solicitation to any person to whom it is unlawful to make such an offer or solicitation.

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 Chapter 6 or Chapter 12 of the Danish Notes Trading Act (Consolidated Act No. 883 of 9 August 2011, as amended from time to time) and the Danish Executive Order No. 223 of 10 March 2010 or the Danish Executive Order No. 222 of 10 March 2010, as amended from time to time, issued pursuant thereto.

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.

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:

(a) the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France;

(b) neither this Offering Circular nor any other offering material relating to the Notes has been or will be:

  (i) released, issued, distributed or caused to be released, issued or distributed to the public in France; or

  (ii) used in connection with any offer for subscription or sale of the Notes to the public in France; and

(c) such offers, sales and distributions will be made in France only:

  (i) to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with, Articles l.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code Monétaire et Financier ("**CMF**");

(ii) to investment services providers authorised to engage in portfolio management on behalf of third parties; or

(iii) 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.

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.

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:

(a) 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 products' as defined in the Securities 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

(b) 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.

India: This Offering Circular has not been and will not be registered as a prospectus with the Registrar of Companies in India or with the Securities and Exchange Board of India. This Offering Circular or any other material relating to these Notes is for information purposes only and may not be circulated or distributed, directly or indirectly, to the public or any members of the public in India and in any event to not more than 50 persons in India. Further, persons into whose possession this Offering Circular comes are required to inform themselves about and to observe any such restrictions. Each prospective investor is advised to consult its advisors about the particular consequences to it of an investment in these Notes. Each prospective investor is also advised that any investment in these Notes by it is subject to the regulations prescribed by the Reserve Bank of India and the Foreign Exchange Management Act and any regulations framed thereunder.

Ireland: The Initial Purchaser has represented and agreed that:

(a) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the "**MiFID Regulations**"), including, without limitation, Regulation 5 (Requirement for authorisation (and certain provisions regarding multilateral trading facilities and organised trading facilities)), any codes of conduct made under the MiFID Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);

(b) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the "**Companies Act**"), the Central Bank Acts 1942-2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);

(c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Prospectus Regulation (2017/1129/EU) and any rules issued by the Central Bank of Ireland (the "**Central Bank**") under Section 1363 of the Companies Act; and

(d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.

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.

Italy: The sale of the Notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) and the Bank of Italy pursuant to Italian Securities Legislation and, accordingly, the Initial Purchaser has represented and agreed that no Notes will be offered, sold or delivered, nor will copies of this Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) 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

(b) 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 ("**Financial Services Act**") and Article 34, first paragraph, of Regulation 11971/1999.

The Initial Purchaser acknowledges that any offer, sale or delivery of the Notes in the Republic of Italy or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy under (a) and (b) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 and Legislative Decree no. 385 of 1 September 1993, as amended; and

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

Investors should also note that in accordance with Article 100-BIS of the Financial Services Act, where no exemption under (b) above applies, any subsequent distribution of the 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 Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

Japan: The Notes have not been and will not be registered pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, 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 Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a "**Japanese person**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Jersey: The Notes may not be offered to, sold to or purchased or held by persons (other than financial institutions) resident for income tax purposes in Jersey.

The Notes may only be issued or allotted exclusively to:

(a) a person whose ordinary activities involve him in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of his business or who it is reasonable to expect will acquire, hold, arrange or dispose of investments (as principal or agent) for the purposes of his business; or

(b) a person who has received and acknowledged a warning to the effect that (a) the securities are only suitable for acquisition by a person who (i) has a significantly substantial asset base such as would enable him to sustain any loss that might be incurred as a result of acquiring the securities; and (ii) is sufficiently financially sophisticated to be reasonably expected to know the risks involved in acquiring the securities and (b) neither the issue of the securities nor the activities of any functionary with regard to the issue of the Notes are subject to all the provisions of the Financial Services (Jersey) Law 1998.

Each person who acquires securities will be deemed, by such acquisition, to have represented that he or it is one of the foregoing persons.

The Grand Duchy of Luxembourg:

The Notes may not be offered to the public in Luxembourg, except that they may be offered in Luxembourg in the following circumstances:

(a) in the period beginning on the date of publication of a prospectus in relation to those Notes which have been approved by the Commission de surveillance du secteur financier (the "**CSSF**") in Luxembourg or, where appropriate, approved in another relevant European Union Member State and notified to the CSSF, all in accordance with the Prospectus Regulation and ending on the date which is 12 months after the date of such publication;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(d) at any time in any other circumstances which do not require the publication by the Issuers of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Notes in Luxembourg means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase the Notes, as defined in the Law of 10 July 2005 on prospectuses for securities and implementing Regulation 2017/1129/EU on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Regulation**"), or any variation thereof or amendment thereto.

Netherlands: The 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 the article 4(1) Capital Requirements Regulation (Regulation (EU) 575/2013) and the rules promulgated thereunder, as amended or any subsequent legislation replacing that regulation).

New Zealand: This offer of Notes does not constitute an 'offer of securities to the public' for the purposes of the Securities Act 1978 and, accordingly, there is neither a registered prospectus nor an investment statement available in respect of the offer. The Initial Purchaser has therefore represented and agreed that the Notes will only be offered to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money in accordance with the Securities Act 1978 and the Securities Regulations 2009.

Norway: The Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Regulation is implemented in Norway (the "**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 Relevant Implementation Date, make an offer of the Notes to the public in Norway at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in notes;

(b) to professional investors as defined in Section 1 of Annex II to Directive 2004/29/EC (as implemented in Norway); or

(c) in any other circumstances which do not require the publication by the Issuer or any other entity of a document pursuant to Article 3 of the Prospectus Regulation.

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 Regulation in Norway and the expression 'Prospectus Regulation' means Regulation 2017/1129/EU (as may be amended or superseded from time to time) and includes any relevant implementing measure in Norway.

Portugal: The Initial Purchaser has represented and agreed with the Issuer that: (i) it has not advertised, offered or sold and will not, directly or indirectly, advertise, offer or sell the Notes in circumstances which could qualify as a public offer of Notes pursuant to the Portuguese Securities Code (*Código dos Valores Mobiliários*, the "**CVM**") which would require the publication by the Issuer of a prospectus under the Prospectus Regulation or in circumstances which would qualify as an issue or public placement of Notes in the Portuguese market; (ii) it has not distributed or caused to be distributed to the public in the Republic of Portugal this Offering Circular or any other offering material relating to the Notes; (iii) all applicable provisions of the CVM, any applicable Comissão do Mercado de Valores Mobiliários (Portuguese Securities Market Commission, the "**CMVM**") Regulations and all applicable provisions of the Regulation 2017/1129/EU of the European Parliament and of the Council of 14 June 2017/Prospectus Regulation have been complied with regarding the Notes, in any matters involving the Republic of Portugal.

Qatar: The Initial Purchaser has represented and agreed that the Notes will only be offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Notes.

Saudi Arabia: This Offering Circular may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Saudi Arabian Capital Market Authority.

Singapore: This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Initial Purchaser has represented and agreed that the Notes will not be offered or sold or made the subject of an invitation for subscription or purchase, nor will this Offering Circular or any other offering document or material in connection with the offer or sale, or invitation for subscription or purchase of such Notes be circulated or distributed, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1a) of the SFA, and in each case in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where notes are subscribed or purchased under Section 275 by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

'securities' (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person where the transfer arises from an offer referred to in Section 275(1a) or Section 76(4)(i)(b) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law; or

(iv) as specified in Section 276(7) of the SFA.

South Korea: The Notes have not been registered with the Financial Services Commission of Korea for a public offering in Korea. The Initial Purchaser has therefore represented and agreed that the Notes have not been and will not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under applicable Korean Laws and regulations, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder.

Spain: Neither the Notes nor this Offering Circular have been approved or registered with the Spanish Notes Markets Commission (*Comisión 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 Valore*s), as amended and restated, and supplemental rules enacted thereunder.

Switzerland: The Notes are neither registered with nor supervised by the Swiss Financial Market Supervisory Authority ("**FINMA**") and are not authorised for public offering and distribution in, into or from Switzerland. Distribution of this Offering Circular and the Notes in and from Switzerland is not permitted and the Notes may be offered in Switzerland exclusively to qualified investors pursuant to Article 10 para 3 lit a. or b. of the Collective Investment Schemes Act, ("**CISA**"), its Ordinance of application ("**CISO**") and FINMA's Circular 2013/9 on Distribution of Collective Investment Schemes. This Offering Circular may neither be distributed, made available nor disclosed to investors which are not Qualified Investors per Article 10 para 3 lit a or b CISA in Switzerland. "Qualified Investors pursuant to Article 10 para 3 lit. a or b CISA" are defined as being: (i) financial intermediaries subject to supervision such as banks, securities dealers, fund management companies; and (ii) insurance companies subject to supervision.

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.

Turkey: The offered Notes have not been and will not be registered with the Turkish Capital Market Board (the "**CMB**") under the provisions of the Capital Market Law (Law No. 2499). Accordingly neither this Offering Circular nor any other offering material related to the offering may be utilised in connection with any offering to the public within the Republic of Turkey without the prior approval of the CMB. However, according to Article 15(d)(ii) of the Decree No. 32 there is no restriction on the purchase or sale of the offered Notes by residents of the Republic of Turkey, provided that: they purchase or sell such offered Notes in the financial markets outside of the Republic of Turkey; and such sale and purchase is made through banks and/or licensed brokerage institutions in the Republic of Turkey.

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 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*) or in a requirement for a key information document pursuant to the PRIIPs Regulation.

The Initial Purchaser has represented and agreed that it has not made and will not make an offer of Notes to the public in Sweden except that it may make an offer of such Notes to the public in Sweden at any time:

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

(ii) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (ii) above shall require the Issuer, the Sole Arranger or the Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

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.

United Arab Emirates. The Initial Purchaser has represented and agreed that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers of the Notes 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 (or in certain circumstances shall be required to represent and agree) 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 or transferee of (i) Notes represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and (ii) Notes represented by Rule 144A 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 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described in the "*Transfer Restrictions*" 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 and that the Issuer intends to rely on an exemption from registration by virtue of Section 3(c)(7) of 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) shall be null and void *ab initio*.

(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 or the Collateral Administrator is acting as a fiduciary or financial or collateral manager 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 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 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 Sole Arranger, the Trustee, the Collateral Manager 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 in a principal amount of not less than €250,000. The purchaser and each such account is acquiring the Rule 144A Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The purchaser 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 issuers. 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 40.0 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 acquisition, holding and disposition of any Class X Note, Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note (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 Note 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 Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a violation of any Other Plan Law, and (ii) it will not sell or transfer such Note (or interest therein) to an acquiror acquiring such Note (or interest therein) unless the acquiror makes or is deemed to make 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) With respect to the acquisition, holding and disposition of any Class E Notes, Class M Notes or Subordinated Notes: (i) it is not, and is not acting on behalf of (and for so

long as it holds such Notes or interests therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer (other than in the case of the Retention Notes), provides an ERISA certificate (substantially in the form set out in Annex A – Part 1 hereto (*Form of ERISA Certificate*)) to the Issuer and Transfer Agent as to its status as a Benefit Plan Investor or Controlling Person and any transferor of a Class E Note, Class M Note or Subordinated Note that is a Benefit Plan Investor agrees that, upon any such transfer it shall provide a certificate substantially in the form of Annex A – Part 2 (*Form of ERISA Transfer Certificate*) to the Issuer and the Transfer Agent notifying whether or not the transferee thereof is a Benefit Plan Investor, and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, 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 and/or Section 4975 of the Code, 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 interests therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a violation of any Other Plan Law. Any purported transfer of the Class E Notes, the Class M Notes or the Subordinated Notes in violation of the requirements set forth in this paragraph or the preceding 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 E Notes, Class M 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) If the purchaser or transferee of any Notes or beneficial interest therein is a Benefit Plan Investor, it will be deemed to represent, warrant and agree that (i) none of the Issuer, the Initial Purchaser, the Sole Arranger, the Trustee, the Collateral Manager, the Collateral Administrator or any of their affiliates has provided any investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor, or to the Fiduciary, in connection with its acquisition of Notes, and (ii) the Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

(d) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager 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 Notes 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 Notes may not at any time be held by or on behalf of, within the United States, persons, or outside the United States, U.S. Persons that are not QIB/QPs. Before any interest in a Rule 144A Note may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Note, the transferor will be required to provide the Issuer and a Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

(8) 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) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE

SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND 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. 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 NOTE. 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 REGISTRAR.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES, CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY 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 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**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING THIS NOTE (OR INTEREST HEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THIS NOTE 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 THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, CLASS M NOTES AND SUBORDINATED NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE] [CLASS M NOTE] [SUBORDINATED NOTE] WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR AN INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER (OTHER THAN IN THE CASE OF THE RETENTION NOTES), PROVIDES AN ERISA CERTIFICATE SUBSTANTIALLY IN THE FORM OF ANNEX A – PART 1 (*FORM OF ERISA CERTIFICATE*) HERETO TO THE ISSUER AND THE TRANSFER AGENT AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND ANY TRANSFEROR OF A CLASS E NOTE, CLASS M NOTE OR SUBORDINATED NOTE THAT IS A BENEFIT PLANT INVESTOR AGREES THAT, UPON ANY SUCH TRANSFER IT SHALL PROVIDE A CERTIFICATE SUBSTANTIALLY IN THE FORM OF ANNEX A – PART 2 (*FORM OF ERISA TRANSFER CERTIFICATE*) TO THE ISSUER AND THE TRANSFER AGENT NOTIFYING WHETHER OR NOT THE TRANSFEREE THEREOF IS A BENEFIT PLAN INVESTOR, AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), AND/OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER 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 SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE 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 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 THIS NOTE 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 THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A [CLASS E NOTE] [CLASS M NOTE] [SUBORDINATED NOTE] OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER AND THE TRANSFER AGENT WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE [CLASS E NOTES] [CLASS M NOTES] [SUBORDINATED NOTES] TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING [CLASS E NOTES] [CLASS M NOTES] [SUBORDINATED NOTES] (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE] [CLASS M NOTE] [SUBORDINATED NOTE] WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25.0 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE [CLASS E NOTE] [CLASS M NOTE] [SUBORDINATED NOTE], AS APPLICABLE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, CLASS D NOTES AND CLASS E NOTES ONLY*] THE CLASS C NOTES, CLASS D NOTES AND CLASS E NOTES WILL BE ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, TOTAL AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY MAY BE OBTAINED BY CONTACTING THE ISSUER AT 3RD FLOOR, KILMORE HOUSE, PARK LANE, SPENCER DOCK, DUBLIN 1, IRELAND. THE ISSUER SHALL APPOINT EXTERNAL ACCOUNTANTS TO ASSIST IN THE COMPILATION OF THE RELEVANT INFORMATION AND THE REQUESTING NOTEHOLDER SHALL BE RESPONSIBLE FOR THE FEES INCURRED.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES AND ANY CLASS A NOTES, CLASS B NOTES, CLASS C NOTES OR CLASS D NOTES IN THE FORM OF CM NON-VOTING NOTES OR CM EXCHANGEABLE NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE

RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES OR CLASS D NOTES IN THE FORM OF CM VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

(9) 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.

(10) 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.

(11) The purchaser will treat the Issuer and the Notes as described in the "*Tax Considerations – United States Federal Income Taxation*" section of the Offering Circular for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.

(12) The purchaser will timely furnish the Issuer or its agents with any tax forms or certifications (such as an applicable IRS Form W-8 (together with appropriate attachments), IRS Form W-9, or any successors to such IRS forms) that the Issuer or its agents reasonably request in order to (A) make payments to the purchaser without, or at a reduced rate of, withholding, (B) qualify for a reduced rate of withholding in any jurisdiction from or through which they receive payments, or (C) satisfy reporting and other obligations under the Code, Treasury regulations, or any other applicable law, and will update or replace such tax forms or certifications as appropriate or in accordance with their terms or subsequent amendments. The purchaser acknowledges that the failure to provide, update or replace any such tax forms or certifications may result in the imposition of withholding or back-up withholding upon payments to such purchaser or to the Issuer. Amounts withheld pursuant to applicable tax laws by the Issuer or its agents will be treated as having been paid to the purchaser by the Issuer.

(13) The purchaser will provide the Issuer or its agents with any correct, complete and accurate information and documentation that may be required for the Issuer to comply with FATCA and the CRS and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer. In the event the purchaser fails to provide such information or documentation for the purposes of FATCA, or to the extent that its ownership of Notes would otherwise cause the Issuer to be subject to any tax under FATCA, (A) the Issuer or its agents are authorised to withhold amounts otherwise distributable to the purchaser as compensation for any amounts withheld from payments to or for the benefit of the Issuer as a result of such failure or such ownership, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such ownership, the Issuer will have the right to compel the purchaser to sell its Notes (other than Retention Notes) and, if such purchaser does not sell its Notes within 10 Business Days after notice from the Issuer or its agents, the Issuer will have the right to sell such Notes (other than the Retention Notes) at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes incurred by the Issuer in connection with such sale) to such person as payment in full for such Notes. The Issuer may also assign each such Note a separate securities identifier in the Issuer's sole discretion. Each purchaser agrees that the Issuer, the Trustee or their agents or representatives may (1) provide any information and documentation concerning its investment in its Notes to the Revenue Commissioners of Ireland, the IRS and any other relevant tax authority and (2) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA and the CRS.

(14) Each holder of a Class E Note, Class M Note or Subordinated Note, if it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), represents that

(a) either:

(i) it is not a bank (within the meaning of Section 881(c)(3)(A) of the Code);

(ii) after giving effect to its purchase of any such Notes, it will not directly or indirectly own more than 33⅓ per cent., by value, of the aggregate of the Notes within any such Class and any other Notes that are ranked *pari passu* with or are subordinated to such Notes, and will not otherwise be related to the Issuer (within the meaning of Treasury regulations section 1.881-3);

(iii) it has provided an IRS Form W-8ECI representing that all payments received or to be received by it from the Issuer are effectively connected with the conduct of a trade or business in the United States and includible in its gross income; or

(iv) it has provided an IRS Form W-8BEN-E representing that it is eligible for the benefits under 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 purchaser are reduced to 0 per cent; and

(b) it has not purchased the Notes in whole or in part to avoid any U.S. federal tax liability (including, without limitation, any U.S. withholding tax that would be imposed on payments on the Collateral Debt Obligations if the Collateral Debt Obligations were held directly by the purchaser).

(15) If it is a purchaser or transferee of Class M Notes or Subordinated Notes and owns more than 50 per cent. of the Class M Notes or Subordinated Notes by value or is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury regulations section 1.1471-5(i) (or any successor provision)), it will (A) confirm that any member of such expanded affiliated group (assuming that the Issuer is a "registered deemed-compliant FFI" within the meaning of Treasury regulations section 1.1471-1(b)(111) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is either a "participating FFI", a "deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4(e) (or any successor provision), and (B) promptly notify the Issuer in the event that any member of such expanded affiliated group that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is not either a "participating FFI", a "deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided the purchaser or transferee with an express waiver of this requirement.

(16) No purchaser of Subordinated Notes or Class M Notes will treat any income with respect to its Notes as derived in connection with the Issuer's active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

(17) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Holder or Non-Permitted ERISA Holder to sell its interest in the Notes, or may sell such interest in its Notes on behalf of such Non-Permitted Holder or Non-Permitted ERISA Holder.

Regulation S Notes

Each purchaser or transferee of Regulation S Notes will be deemed (or in certain circumstances shall be required) to have made the representations set forth in clauses (3), (4), (6), (7), and (9) through (17) (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 (as defined in Regulation S).

(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 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.

(4) 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) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND 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. 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 NOTE. 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 REGISTRAR.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES, CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY 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 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**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING THIS NOTE (OR INTEREST HEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THIS NOTE 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 THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS M NOTES AND THE SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE] [CLASS M NOTE] [SUBORDINATED NOTE] WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR AN INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR

TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER (OTHER THAN IN THE CASE OF THE RETENTION NOTES), PROVIDES AN ERISA CERTIFICATE SUBSTANTIALLY IN THE FORM OF ANNEX A – PART 1 (*FORM OF ERISA CERTIFICATE*) HERETO TO THE ISSUER AND THE TRANSFER AGENT AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND ANY TRANSFEROR OF A CLASS E NOTE, CLASS M NOTE OR SUBORDINATED NOTE THAT IS A BENEFIT PLANT INVESTOR AGREES THAT, UPON ANY SUCH TRANSFER IT SHALL PROVIDE A CERTIFICATE SUBSTANTIALLY IN THE FORM OF ANNEX A – PART 2 (*FORM OF ERISA TRANSFER CERTIFICATE*) TO THE ISSUER AND THE TRANSFER AGENT NOTIFYING WHETHER OR NOT THE TRANSFEREE THEREOF IS A BENEFIT PLAN INVESTOR, AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), AND/OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER 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 SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE 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 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 THIS NOTE 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 THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A [CLASS E NOTE] [CLASS M NOTE] [SUBORDINATED NOTE] OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER AND THE TRANSFER AGENT WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE [CLASS E NOTES]

[CLASS M NOTES] [SUBORDINATED NOTES] TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING [CLASS E NOTES] [CLASS M NOTES] [SUBORDINATED NOTES] (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE] [CLASS M NOTE] [SUBORDINATED NOTE] WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25.0 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE [CLASS E NOTE] [CLASS M NOTE] [SUBORDINATED NOTE], AS APPLICABLE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, CLASS D NOTES AND CLASS E NOTES ONLY*] THE CLASS C NOTES, CLASS D NOTES AND CLASS E NOTES WILL BE ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**"). THE ISSUE PRICE, TOTAL AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY MAY BE OBTAINED BY CONTACTING THE ISSUER AT 3RD FLOOR, KILMORE HOUSE, PARK LANE, SPENCER DOCK, DUBLIN 1, IRELAND. THE ISSUER SHALL APPOINT EXTERNAL ACCOUNTANTS TO ASSIST IN THE COMPILATION OF THE RELEVANT INFORMATION AND THE REQUESTING NOTEHOLDER SHALL BE RESPONSIBLE FOR THE FEES INCURRED.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X NOTES AND ANY CLASS A NOTES, CLASS B NOTES, CLASS C NOTES OR CLASS D NOTES IN THE FORM OF CM NON-VOTING NOTES OR CM EXCHANGEABLE NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES OR CLASS D NOTES IN THE FORM OF CM VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

(5) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Retention Holder, the Trustee, the Collateral Manager or the Collateral Administrator and their Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(6) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons or U.S. Residents.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

RULE 17G-5

Rule 17g-5

The Issuer, in order to permit the Rating Agencies to comply with its obligations under Rule 17g-5 promulgated under the Exchange Act ("**Rule 17g-5**"), has agreed to post (or have its agent post) on a password-protected internet website (the "**Rule 17g-5 Website**"), at the same time such information is provided to the Rating Agencies, all information (which will not include any reports from the Issuer's independent public accountants or the Payment Date Reports and the Monthly Reports (which shall be made available via a secured website as described further in the "**Payment Date Report**" and "**Monthly Report**" definitions)) that the Issuer or other parties on its behalf, including the Trustee and the Collateral Manager, provide to the Rating Agencies for the purposes of determining the initial credit rating of the Rated Notes or undertaking credit rating surveillance of the Rated Notes; provided, however, that, prior to the occurrence of a Note Event of Default, without the prior written consent of the Collateral Manager no party other than the Issuer, the Trustee or the Collateral Manager may provide information to the Rating Agencies on the Issuer's behalf.

On the Issue Date, the Issuer engages The Bank of New York Mellon SA/NV, Dublin Branch, in accordance with the Collateral Management Agreement, to assist the Issuer in complying with certain of the posting requirements under Rule 17g-5 (in such capacity, the "**Information Agent**"). Any notices or requests to, or any other written communications with or written information provided to, the Rating Agencies, or any of its officers, directors or employees, to be given or provided to such Rating Agencies pursuant to, in connection with or related, directly or indirectly, to the Trust Deed, the Collateral Management Agreement, any transaction document relating thereto, the Portfolio or the Notes, will be in each case furnished directly to the Rating Agencies after a copy has been delivered to the Information Agent or the Issuer for posting to the Rule 17g-5 Website.

GENERAL INFORMATION

Clearing Systems

The Notes of each Class (other than, in certain circumstances, the Class E Notes and the Subordinated Notes) have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and International Securities Identification Number ("**ISIN**") for the Notes of each Class are set out below:

	Regulation S Notes		Rule 144A Global Notes	
	ISIN	**Common Code**	**ISIN**	**Common Code**
Class X Notes	XS2207860649	220786064	XS2207860722	220786072
Class A Notes in the form of CM Voting Notes	XS2207860995	220786099	XS2207861373	220786137
Class A Notes in the form of CM Non-Voting Notes	XS2207861290	220786129	XS2207861530	220786153
Class A Notes in the form of CM Exchangeable Non-Voting Notes	XS2207861027	220786102	XS2207861456	220786145
Class B-1 Notes in the form of CM Voting Notes	XS2207861613	220786161	XS2207861969	220786196
Class B-1 Notes in the form of CM Non-Voting Notes	XS2207861886	220786188	XS2207862181	220786218
Class B-1 Notes in the form of CM Exchangeable Non-Voting Notes	XS2207861704	220786170	XS2207862009	220786200
Class B-2 Notes in the form of CM Voting Notes	XS2207862264	220786226	XS2207862694	220786269
Class B-2 Notes in the form of CM Non-Voting Notes	XS2207862421	220786242	XS2207862850	220786285
Class B-2 Notes in the form of CM Exchangeable Non-Voting Notes	XS2207862348	220786234	XS2207862777	220786277
Class C Notes in the form of CM Voting Notes	XS2207862934	220786293	XS2207863239	220786323
Class C Notes in the form of CM Non-Voting Notes	XS2207863155	220786315	XS2207863403	220786340
Class C Notes in the form of CM Exchangeable Non-Voting Notes	XS2207863072	220786307	XS2207863312	220786331
Class D Notes in the form of CM Voting Notes	XS2207863585	220786358	XS2207863825	220786382
Class D Notes in the form of CM Non-Voting Notes	XS2207863742	220786374	XS2207864120	220786412
Class D Notes in the form of CM Exchangeable Non-Voting Notes	XS2207863668	220786366	XS2207864047	220786404
Class E Notes	XS2207864393	220786439	XS2207864476	220786447
Class M Notes	XS2207864807	220786480	XS2207864989	220786498
Subordinated Notes	XS2207865010	220786501	XS2207865101	220786510

Listing

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its Global Exchange Market. It is anticipated that listing and admission to trading of the Notes will take place on or about the Issue Date. There can be no assurance that any such approval will be granted or, if granted, that such listing and admission to trading will be maintained.

Legal Entity Identifier ("LEI")

The Issuer's LEI is 635400YH93RIIHDLXQ91.

Unique Identifier

The unique identifier assigned by the Issuer for the purposes of the Securitisation Regulation to the transaction contemplated by this Offering Circular is 635400YH93RIIHDLXQ91N202001.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the board of Directors of the Issuer passed on or about 6 August 2020.

No Significant or Material Change

There has been no material adverse change in the financial or trading position or prospects of the Issuer since its incorporation on 25 July 2019.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.

Accounts

Since the date of its incorporation, other than entering into the Warehouse Arrangements and acquiring certain Collateral Debt Obligations pursuant to the Warehouse Arrangements without any net assets or liabilities for the Issuer relating to a transaction which did not proceed, the Issuer has not commenced operations other than in respect of entering into the warehouse agreements in respect of the acquisition of certain assets to be comprised in the Portfolio on or prior to the Issue Date 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 Transfer Agents during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 31 December 2020. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis and otherwise promptly on request that no Note Event of Default or Potential Note Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

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 constitution of the Issuer;

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

(c) the Agency Agreement;

(d) the Collateral Management Agreement;

(e) the Corporate Services Agreement;

(f) the Risk Retention Letter;

(g) the Hedge Agreements (to the extent required to be disclosed pursuant to Article 7 of the Securitisation Regulation);

(h) each Monthly Report;

(i) each Payment Date Report; and

(j) this Offering Circular.

Drafts of the documents set out above in paragraphs (b) to (g) and (j) in as final form as is reasonably possible shall be available on the website https://gctinvestorreporting bnymellon.com maintained by The Bank of New York Mellon SA/NV, Dublin Branch prior to the pricing date for the transaction described herein (and copies of the final form of such documents shall be available on such website as of the Issue Date).

Enforceability of Judgments

The Issuer is a designated activity company incorporated under the laws of Ireland. None of the Directors 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.

As the United States is not a party to a convention with Ireland in respect of the enforcement of judgments, common law rules apply in order to determine whether a judgment of the United States courts is enforceable in Ireland. A judgment of the United States courts will be enforced by the courts of Ireland if the following general requirements are satisfied:

(i) the United States courts must have had jurisdiction in relation to the particular defendant according to Irish conflict of law rules (the submission to jurisdiction by the defendant would satisfy this rule); and

(ii) the judgment must be final and conclusive and the decree must be final and unalterable in the court which pronounces it. A judgment can be final and conclusive even if it is subject to appeal or even if an appeal is pending. Where, however, the effect of lodging an appeal under the applicable law is to stay execution of the judgment, it is possible that, in the meantime, the judgment should not be actionable in Ireland. It remains to be determined whether final judgment given in default of appearance is final and conclusive.

However, the Irish courts may refuse to enforce a judgment of the United States courts which meets the above requirements for one of the following reasons:

(a) if the judgment is not for a definite sum of money;

(b) if the judgment was obtained by fraud;

(c) the enforcement of the judgment in Ireland would be contrary to natural or constitutional justice;

(d) the judgment is contrary to Irish public policy or involves certain United States laws which will not be enforced in Ireland; or

(e) jurisdiction cannot be obtained by the Irish courts over the judgment debtors in the enforcement proceedings by personal service in Ireland or outside Ireland under Order 11 of the Superior Courts Rules.

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ANNEX A
PART 1
FORM OF ERISA CERTIFICATE

The purpose of this ERISA Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the Class E Notes, the Class M Notes and the Subordinated Notes (determined separately by Class) issued by Arbour CLO VIII Designated Activity Company (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan or plan's investment in the entity (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 or disposition of [Class E Notes] [Class M Notes] [Subordinated Notes]. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms 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 and we and any such entity are not described in Question 3 below.

   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 VALUE OF THE [CLASS E NOTES] [CLASS M NOTES] [SUBORDINATED NOTES], 100 PER CENT. OF THE ASSETS OF THE ENTITY OR FUND WILL BE TREATED AS "PLAN ASSETS."

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3. ☐ Insurance Company General Account. We, or the entity on whose behalf we are acting, are an insurance company purchasing the [Class E Notes] [Class M Notes] [Subordinated Notes] with funds from our or their general account (*i.e.*, the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" under Section 401(a) of ERISA 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" under Section 401(a) of ERISA 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 and Transfer Agent of such change.

5. No Prohibited Transaction. If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the [Class E Notes] [Class M Notes] [Subordinated Notes] (or an interest therein) do not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and/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, and for so long as we hold any Note or interest therein, will not be subject to any federal, state, local non-U.S. or other 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 similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the [Class E Notes] [Class M Notes] [Subordinated Notes] (or an interest therein) does not and will not constitute or result in a violation of any law or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

7. ☐ Controlling Person. We are, or we are acting on behalf of any of: (i) the Trustee, (ii) the Collateral Manager, (iii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iv) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (v) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set 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 E Notes] [Class M Notes] [Subordinated Notes], the [Class E Notes] [Class M Notes] [Subordinated Notes] held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

8. Compelled Disposition. We acknowledge and agree that:

(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 may, promptly after such discovery, send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Holder within 10 days after the date of such notice;

(ii) if we fail to transfer our [Class E Notes] [Class M Notes] [Subordinated Notes], the Issuer shall have the right, without further notice to us, to sell our [Class E Notes] [Class M Notes] [Subordinated Notes] or our interest in the [Class E Notes] [Class M Notes] [Subordinated Notes] to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder 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 E Notes] [Class M Notes] [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 E Notes] [Class M Notes] [Subordinated Notes], we agree to such limitations and 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.

9. Required Notification and Agreement. We hereby agree that we (a) will inform the Issuer and the Transfer Agent of any proposed transfer by us of all or a specified portion of the [Class E Notes] [Class M Notes] [Subordinated Notes] and (b) will not initiate any such transfer after we have been informed by the Issuer or the Transfer Agent in writing that such transfer would cause the 25 per cent. Limitation to be exceeded. We hereby agree and acknowledge that after the Issuer or the Transfer Agent effects any permitted transfer of [Class E Notes] [Class M Notes] [Subordinated Notes] owned by us to a Benefit Plan Investor or a Controlling Person to the extent permitted or receives notice of any such permitted change of status, the Issuer or Transfer Agent shall include such [Class E Notes] [Class M Notes] [Subordinated Notes] in future calculations of the 25 per cent. Limitation made pursuant hereto unless subsequently notified that such [Class E Notes] [Class M Notes] [Subordinated Notes] (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

10. Continuing Representation; Reliance. We acknowledge and agree that the representations, warranties and agreements contained in this Certificate shall be deemed made on each day from the date we make such representations, warranties and agreements through and including the date on which we dispose of our interests in the [Class E Notes] [Class M Notes] [Subordinated Notes]. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer to determine that Benefit Plan Investors own or hold less than 25 per cent. of the value of the [Class E Notes] [Class M Notes] [Subordinated Notes] upon any subsequent transfer of the [Class E Notes] [Class M Notes] [Subordinated Notes] in accordance with the Trust Deed.

11. Further Acknowledgement and Agreement. We acknowledge and agree that (i) all of the representations, warranties, agreements and assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, Barclays Bank PLC 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, Barclays Bank PLC, 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 E Notes] [Class M Notes] [Subordinated Notes] by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

12. Future Transfer Requirements.

Transferee Letter and its Delivery. We acknowledge and agree that (1) we may not transfer any [Class E Notes] [Class M Notes] [Subordinated Notes] to any person unless the Issuer have received a certificate substantially in the form of this Certificate and (2) we may not transfer any [Class E Notes] [Class M Notes] [Subordinated Notes] to a Benefit Plan Investor unless we have provided a Form of ERISA Transfer Certificate substantially in the form of set out in Part 2 (*Form of ERISA Transfer Certificate)* of Annex A to the Offering Circular for the Issuer. 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:

Arbour CLO VIII Designated Activity Company, [3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland].

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____ [Insert Purchaser's Name]
By:
Name:
Title:
Dated:
This Certificate relates to EUR_____ of [Class E Notes] [Class M Notes] [Subordinated Notes]

PART 2
FORM OF ERISA TRANSFER CERTIFICATE

The purpose of this ERISA Transfer Certificate (this "**Transfer Certificate**") is to endeavour to ensure that less than 25 per cent. of the total value of the Class E Notes, the Class M Notes and the Subordinated Notes (determined separately by Class) issued by Arbour CLO VIII Designated Activity Company (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan or plan's investment in the entity (collectively, "**Benefit Plan Investors**").

You should contact your own counsel if you have any questions in completing this Transfer Certificate. Capitalised terms not defined in this Transfer Certificate shall have the meanings ascribed to them in the Trust Deed.

We hereby (a) inform the Issuer and the Transfer Agent of the proposed transfer by us of all or a specified portion of [Class E Notes] [Class M Notes] [Subordinated Notes] and (b) confirm that the transferee of such [Class E Notes] [Class M Notes] [Subordinated Notes], to our knowledge (it having been confirmed to us by the relevant transferee), [is]/[is not] a Benefit Plan Investor.

We acknowledge and agree that the confirmations supplied in this Transfer Certificate will be used and relied upon by the Issuer and the Collateral Manager to determine that Benefit Plan Investors own or hold less than 25 per cent. of the value of the [Class E Notes] [Class M Notes] [Subordinated Notes] upon the transfer referenced herein and any subsequent transfer of the [Class E Notes] [Class M Notes] [Subordinated Notes] in accordance with the Trust Deed.

Note: Unless you are notified otherwise, the name and address of the Issuer is as follows:

Arbour CLO VIII Designated Activity Company, 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____ [Insert Noteholder's Name]
By:
Name:
Title:
Dated:
This Transfer Certificate relates to EUR_____ of [Class E Notes] [Class M Notes] [Subordinated Notes]

Name of Transferee: [Insert transferee's legal name]

ANNEX B

S&P RECOVERY RATES

(A) (i) If a Collateral Debt Obligation has an S&P Recovery Rating, or is *pari passu* with another obligation of the same Obligor that has an S&P Recovery Rating and is secured by the same collateral as such other obligation, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

S&P Recovery Rating of Collateral Debt Obligation	Range from published reports	Initial Rated Note Rating						
		"AAA"	"AA"	"A"	"BBB"	"BB"	"B"	"CCC"
1+	100	75.0%	85.0%	88.0%	90.0%	92.0%	95.0%	95.0%
1	95	70.0%	80.0%	84.0%	87.5%	91.0%	95.0%	95.0%
1	90	65.0%	75.0%	80.0%	85.0%	90.0%	95.0%	95.0%
2	85	62.5%	72.5%	77.5%	83.0%	88.0%	92.0%	92.0%
2	80	60.0%	70.0%	75.0%	81.0%	86.0%	89.0%	89.0%
2	75	55.0%	65.0%	70.5%	77.0%	82.5%	84.0%	84.0%
2	70	50.0%	60.0%	66.0%	73.0%	79.0%	79.0%	79.0%
3	65	45.0%	55.0%	61.0%	68.0%	73.0%	74.0%	74.0%
3	60	40.0%	50.0%	56.0%	63.0%	67.0%	69.0%	69.0%
3	55	35.0%	45.0%	51.0%	58.0%	63.0%	64.0%	64.0%
3	50	30.0%	40.0%	46.0%	53.0%	59.0%	59.0%	59.0%
4	45	28.5%	37.5%	44.0%	49.5%	53.5%	54.0%	54.0%
4	40	27.0%	35.0%	42.0%	46.0%	48.0%	49.0%	49.0%
4	35	23.5%	30.5%	37.5%	42.5%	43.5%	44.0%	44.0%
4	30	20.0%	26.0%	33.0%	39.0%	39.0%	39.0%	39.0%
5	25	17.5%	23.0%	28.5%	32.5%	33.5%	34.0%	34.0%
5	20	15.0%	20.0%	24.0%	26.0%	28.0%	29.0%	29.0%
5	15	10.0%	15.0%	19.5%	22.5%	23.5%	24.0%	24.0%
5	10	5.0%	10.0%	15.0%	19.0%	19.0%	19.0%	19.0%
6	5	3.5%	7.0%	10.5%	13.5%	14.0%	14.0%	14.0%
6	0	2.0%	4.0%	6.0%	8.0%	9.0%	9.0%	9.0%

* If a recovery range is not available for a given obligation with an S&P Recovery Rating of "1" through "6" (inclusive), the lower recovery range for the applicable S&P Recovery Rating shall apply.

(ii) If (x) a Collateral Debt Obligation does not have an S&P Recovery Rating and such Collateral Debt Obligation is an Unsecured Senior Obligation or a Second Lien Loan and (y) the Obligor or issuer of such Collateral Debt Obligation has issued another debt instrument that is outstanding and senior to such Collateral Debt Obligation that is a Secured Senior Loan or Secured Senior Bond (a "**Senior Secured Debt Instrument**") that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

For Obligors Domiciled in Group A

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B/CCC"
1+	18.0%	20.0%	23.0%	26.0%	29.0%	31.0%
1	18.0%	20.0%	23.0%	26.0%	29.0%	31.0%
2	18.0%	20.0%	23.0%	26.0%	29.0%	31.0%
3	12.0%	15.0%	18.0%	21.0%	22.0%	23.0%
4	5.0%	8.0%	11.0%	13.0%	14.0%	15.0%
5	2.0%	4.0%	6.0%	8.0%	9.0%	10.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

S&P Recovery Rate
For Obligors Domiciled in Group B

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B"/"CCC"
1+	13.0%	16.0%	18.0%	21.0%	23.0%	25.0%
1	13.0%	16.0%	18.0%	21.0%	23.0%	25.0%
2	13.0%	16.0%	18.0%	21.0%	23.0%	25.0%
3	8.0%	11.0%	13.0%	15.0%	16.0%	17.0%
4	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
5	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

S&P Recovery Rate
For Obligors Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B"/"CCC"
1+	10.0%	12.0%	14.0%	16.0%	18.0%	20.0%
1	10.0%	12.0%	14.0%	16.0%	18.0%	20.0%
2	10.0%	12.0%	14.0%	16.0%	18.0%	20.0%
3	5.0%	7.0%	9.0%	10.0%	11.0%	12.0%
4	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

S&P Recovery Rate

(iii) If (x) a Collateral Debt Obligation does not have an S&P Recovery Rating and such Collateral Debt Obligation is not a Secured Senior Loan, a Second Lien Loan or an Unsecured Senior Obligation and (y) the Obligor or issuer of such Collateral Debt Obligation has issued another debt instrument that is outstanding and senior to such Collateral Debt Obligation that is a Senior Secured Debt Instrument that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

For Obligors Domiciled in Groups A and B

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B/CCC"
1+	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
1	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
2	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
3	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
4	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

For Obligors Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B/CCC"
1+	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
1	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
2	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
3	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

S&P Recovery Rate

(B) If an S&P Recovery Rate cannot be determined using paragraph (a) above, the S&P Recovery Rate shall be determined as follows:

Recovery rates for Obligors Domiciled in Group A, B or C:

	Initial Rated Note Rating					
Priority Category	**"AAA"**	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B/CCC"**
Secured Senior Loans (excluding Cov-Lite Loans)						
Group A	50.0%	55.0%	59.0%	63.0%	75.0%	79.0%
Group B.....	39.0%	42.0%	46.0%	49.0%	60.0%	63.0%
Group C.....	17.0%	19.0%	27.0%	29.0%	31.0%	34.0%
Secured Senior Loans that are Cov-Lite Loans and Secured Senior Bonds						
Group A	41.0%	46.0%	49.0%	53.0%	63.0%	67.0%
Group B.....	32.0%	35.0%	39.0%	41.0%	50.0%	53.0%
Group C.....	17.0%	19.0%	27.0%	29.0%	31.0%	34.0%
Unsecured Senior Obligations, Mezzanine Obligations, Second Lien Loans and High Yield Bonds (if not a Subordinated Obligation)						
Group A	18.0%	20.0%	23.0%	26.0%	29.0%	31.0%
Group B.....	13.0%	16.0%	18.0%	21.0%	23.0%	25.0%
Group C.....	10.0%	12.0%	14.0%	16.0%	18.0%	20.0%
Subordinated Obligations						
Group A	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Group B.....	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Group C.....	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

For the purposes of the above:

"**S&P Recovery Rate**" means in respect of each Collateral Debt Obligation and each Class of Rated Notes the recovery rate determined in accordance with the Collateral Management Agreement or advised by S&P; and

"**S&P Recovery Rating**" means, with respect to a Collateral Debt Obligation for which an S&P Recovery Rate is being determined, the "Recovery Rating" assigned by S&P to such Collateral Debt Obligation based upon the tables set forth in this Annex B (*S&P Recovery Rates*).

"**Subordinated Obligation**" means a debt obligation that by its terms and conditions is subordinated to all non-subordinated debt obligations of the relevant Obligor.

CDO Evaluator Country Codes, Regions and Recovery Groups

Country Name	Country Code	Region	Recovery Group
Afghanistan	93	5 - Asia: India, Pakistan and Afghanistan	C
Albania	355	16 - Europe: Eastern	C
Algeria	213	11 - Middle East: MENA	C
Andorra	376	102 - Europe: Western	C
Angola	244	13 - Africa: Sub-Saharan	C
Anguilla	1264	2 - Americas: Other Central and Caribbean	C
Antigua	1268	2 - Americas: Other Central and Caribbean	C
Argentina	54	4 - Americas: Mercosur and Southern Cone	C
Armenia	374	14 - Europe: Russia & CIS	C
Aruba	297	2 - Americas: Other Central and Caribbean	C
Ascension	247	12 - Africa: Southern	C
Australia	61	105 - Asia-Pacific: Australia and New Zealand	A
Austria	43	102 - Europe: Western	A
Azerbaijan	994	14 - Europe: Russia & CIS	C
Bahamas	1242	2 - Americas: Other Central and Caribbean	C
Bahrain	973	10 - Middle East: Gulf States	C
Bangladesh	880	6 - Asia: Other South	C
Barbados	246	2 - Americas: Other Central and Caribbean	C
Belarus	375	14 - Europe: Russia & CIS	C
Belgium	32	102 - Europe: Western	A
Belize	501	2 - Americas: Other Central and Caribbean	C
Benin	229	13 - Africa: Sub-Saharan	C
Bermuda	441	2 - Americas: Other Central and Caribbean	C
Bhutan	975	6 - Asia: Other South	C
Bolivia	591	3 - Americas: Andean	C
Bosnia and Herzegovina	387	16 - Europe: Eastern	C
Botswana	267	12 - Africa: Southern	C
Brazil	55	4 - Americas: Mercosur and Southern Cone	B
British Virgin Islands	284	2 - Americas: Other Central and Caribbean	C
Brunei	673	8 - Asia: Southeast, Korea and Japan	C
Bulgaria	359	16 - Europe: Eastern	C
Burkina Faso	226	13 - Africa: Sub-Saharan	C
Burundi	257	13 - Africa: Sub-Saharan	C
Cambodia	855	8 - Asia: Southeast, Korea and Japan	C
Cameroon	237	13 - Africa: Sub-Saharan	C
Canada	2	101 - Americas: U.S. and Canada	A
Cape Verde Islands	238	13 - Africa: Sub-Saharan	C
Cayman Islands	345	2 - Americas: Other Central and Caribbean	C
Central African Republic	236	13 - Africa: Sub-Saharan	C
Chad	235	13 - Africa: Sub-Saharan	C
Chile	56	4 - Americas: Mercosur and Southern Cone	C
China	86	7 - Asia: China, Hong Kong, Taiwan	C
Colombia	57	3 - Americas: Andean	C
Comoros	269	13 - Africa: Sub-Saharan	C
Congo-Brazzaville	242	13 - Africa: Sub-Saharan	C
Congo-Kinshasa	243	13 - Africa: Sub-Saharan	C
Cook Islands	682	105 - Asia-Pacific: Australia and New Zealand	C
Costa Rica	506	2 - Americas: Other Central and Caribbean	C
Cote d'Ivoire	225	13 - Africa: Sub-Saharan	C
Croatia	385	16 - Europe: Eastern	C
Cuba	53	2 - Americas: Other Central and Caribbean	C
Curaçao	599	2 - Americas: Other Central and Caribbean	C
Cyprus	357	102 - Europe: Western	C
Czech Republic	420	15 - Europe: Central	B
Denmark	45	102 - Europe: Western	A
Djibouti	253	17 - Africa: Eastern	C
Dominica	767	2 - Americas: Other Central and Caribbean	C
Dominican Republic	809	2 - Americas: Other Central and Caribbean	C
East Timor	670	8 - Asia: Southeast, Korea and Japan	C
Ecuador	593	3 - Americas: Andean	C
Egypt	20	11 - Middle East: MENA	C
El Salvador	503	2 - Americas: Other Central and Caribbean	C

Country Name	Country Code	Region	Recovery Group
Equatorial Guinea	240	13 - Africa: Sub-Saharan	C
Eritrea	291	17 - Africa: Eastern	C
Estonia	372	15 - Europe: Central	C
Ethiopia	251	17 - Africa: Eastern	C
Fiji	679	9 - Asia-Pacific: Islands	C
Finland	358	102 - Europe: Western	A
France	33	102 - Europe: Western	A
French Guiana	594	2 - Americas: Other Central and Caribbean	C
French Polynesia	689	9 - Asia-Pacific: Islands	C
Gabonese Republic	241	13 - Africa: Sub-Saharan	C
Gambia	220	13 - Africa: Sub-Saharan	C
Georgia	995	14 - Europe: Russia & CIS	C
Germany	49	102 - Europe: Western	A
Ghana	233	13 - Africa: Sub-Saharan	C
Greece	30	102 - Europe: Western	C
Grenada	473	2 - Americas: Other Central and Caribbean	C
Guadeloupe	590	2 - Americas: Other Central and Caribbean	C
Guatemala	502	2 - Americas: Other Central and Caribbean	C
Guinea	224	13 - Africa: Sub-Saharan	C
Guinea-Bissau	245	13 - Africa: Sub-Saharan	C
Guyana	592	2 - Americas: Other Central and Caribbean	C
Haiti	509	2 - Americas: Other Central and Caribbean	C
Honduras	504	2 - Americas: Other Central and Caribbean	C
Hong Kong	852	7 - Asia: China, Hong Kong, Taiwan	A
Hungary	36	15 - Europe: Central	C
Iceland	354	102 - Europe: Western	C
India	91	5 - Asia: India, Pakistan and Afghanistan	C
Indonesia	62	8 - Asia: Southeast, Korea and Japan	C
Iran	98	10 - Middle East: Gulf States	C
Iraq	964	10 - Middle East: Gulf States	C
Ireland	353	102 - Europe: Western	A
Isle of Man	101	102 - Europe: Western	C
Israel	972	11 - Middle East: MENA	A
Italy	39	102 - Europe: Western	B
Jamaica	876	2 - Americas: Other Central and Caribbean	C
Japan	81	8 - Asia: Southeast, Korea and Japan	A
Jordan	962	11 - Middle East: MENA	C
Kazakhstan	8	14 - Europe: Russia & CIS	C
Kenya	254	17 - Africa: Eastern	C
Kiribati	686	9 - Asia-Pacific: Islands	C
Kosovo	383	16 - Europe: Eastern	C
Kuwait	965	10 - Middle East: Gulf States	C
Kyrgyzstan	996	14 - Europe: Russia & CIS	C
Laos	856	8 - Asia: Southeast, Korea and Japan	C
Latvia	371	15 - Europe: Central	C
Lebanon	961	11 - Middle East: MENA	C
Lesotho	266	12 - Africa: Southern	C
Liberia	231	13 - Africa: Sub-Saharan	C
Libya	218	11 - Middle East: MENA	C
Liechtenstein	102	102 - Europe: Western	C
Lithuania	370	15 - Europe: Central	C
Luxembourg	352	102 - Europe: Western	A
Macedonia	389	16 - Europe: Eastern	C
Madagascar	261	13 - Africa: Sub-Saharan	C
Malawi	265	13 - Africa: Sub-Saharan	C
Malaysia	60	8 - Asia: Southeast, Korea and Japan	C
Maldives	960	6 - Asia: Other South	C
Mali	223	13 - Africa: Sub-Saharan	C
Malta	356	102 - Europe: Western	C
Martinique	596	2 - Americas: Other Central and Caribbean	C
Mauritania	222	13 - Africa: Sub-Saharan	C
Mauritius	230	12 - Africa: Southern	C
Mexico	52	1 - Americas: Mexico	B
Micronesia	691	9 - Asia-Pacific: Islands	C

Country Name	Country Code	Region	Recovery Group
Moldova	373	14 - Europe: Russia & CIS	C
Monaco	377	102 - Europe: Western	C
Mongolia	976	14 - Europe: Russia & CIS	C
Montenegro	382	16 - Europe: Eastern	C
Montserrat	664	2 - Americas: Other Central and Caribbean	C
Morocco	212	11 - Middle East: MENA	C
Mozambique	258	13 - Africa: Sub-Saharan	C
Myanmar	95	8 - Asia: Southeast, Korea and Japan	C
Namibia	264	12 - Africa: Southern	C
Nauru	674	9 - Asia-Pacific: Islands	C
Nepal	977	6 - Asia: Other South	C
Netherlands	31	102 - Europe: Western	A
New Caledonia	687	9 - Asia-Pacific: Islands	C
New Zealand	64	105 - Asia-Pacific: Australia and New Zealand	C
Nicaragua	505	2 - Americas: Other Central and Caribbean	C
Niger	227	13 - Africa: Sub-Saharan	C
Nigeria	234	13 - Africa: Sub-Saharan	C
North Korea	850	8 - Asia: Southeast, Korea and Japan	C
Norway	47	102 - Europe: Western	A
Oman	968	10 - Middle East: Gulf States	C
Pakistan	92	5 - Asia: India, Pakistan and Afghanistan	C
Palau	680	9 - Asia-Pacific: Islands	C
Palestinian Settlements	970	11 - Middle East: MENA	C
Panama	507	2 - Americas: Other Central and Caribbean	C
Papua New Guinea	675	9 - Asia-Pacific: Islands	C
Paraguay	595	4 - Americas: Mercosur and Southern Cone	C
Peru	51	3 - Americas: Andean	C
Philippines	63	8 - Asia: Southeast, Korea and Japan	C
Poland	48	15 - Europe: Central	B
Portugal	351	102 - Europe: Western	A
Qatar	974	10 - Middle East: Gulf States	C
Romania	40	16 - Europe: Eastern	C
Russia	7	14 - Europe: Russia & CIS	C
Rwanda	250	13 - Africa: Sub-Saharan	C
Samoa	685	9 - Asia-Pacific: Islands	C
Sao Tome and Principe	239	13 - Africa: Sub-Saharan	C
Saudi Arabia	966	10 - Middle East: Gulf States	C
Senegal	221	13 - Africa: Sub-Saharan	C
Serbia	381	16 - Europe: Eastern	C
Seychelles	248	12 - Africa: Southern	C
Sierra Leone	232	13 - Africa: Sub-Saharan	C
Singapore	65	8 - Asia: Southeast, Korea and Japan	A
Slovak Republic	421	15 - Europe: Central	C
Slovenia	386	102 - Europe: Western	C
Solomon Islands	677	9 - Asia-Pacific: Islands	C
Somalia	252	17 - Africa: Eastern	C
South Africa	27	12 - Africa: Southern	B
South Korea	82	8 - Asia: Southeast, Korea and Japan	C
Spain	34	102 - Europe: Western	A
Sri Lanka	94	6 - Asia: Other South	C
St. Helena	290	12 - Africa: Southern	C
St. Kitts/Nevis	869	2 - Americas: Other Central and Caribbean	C
St. Lucia	758	2 - Americas: Other Central and Caribbean	C
St. Vincent and the Grenadines	784	2 - Americas: Other Central and Caribbean	C
Sudan	249	17 - Africa: Eastern	C
Suriname	597	2 - Americas: Other Central and Caribbean	C
Swaziland	268	12 - Africa: Southern	C
Sweden	46	102 - Europe: Western	A
Switzerland	41	102 - Europe: Western	A
Syrian Arab Republic	963	11 - Middle East: MENA	C
Taiwan	886	7 - Asia: China, Hong Kong, Taiwan	C
Tajikistan	992	14 - Europe: Russia & CIS	C
Tanzania/Zanzibar	255	13 - Africa: Sub-Saharan	C
Thailand	66	8 - Asia: Southeast, Korea and Japan	C

Country Name	Country Code	Region	Recovery Group
Togo	228	13 - Africa: Sub-Saharan	C
Tonga	676	9 - Asia-Pacific: Islands	C
Trinidad and Tobago	868	2 - Americas: Other Central and Caribbean	C
Tunisia	216	11 - Middle East: MENA	C
Turkey	90	16 - Europe: Eastern	C
Turkmenistan	993	14 - Europe: Russia & CIS	C
Turks and Caicos	649	2 - Americas: Other Central and Caribbean	C
Tuvalu	688	9 - Asia-Pacific: Islands	C
Uganda	256	13 - Africa: Sub-Saharan	C
Ukraine	380	14 - Europe: Russia & CIS	C
United Arab Emirates	971	10 - Middle East: Gulf States	C
United Kingdom	44	102 - Europe: Western	A
Uruguay	598	4 - Americas: Mercosur and Southern Cone	C
USA	1	101 - Americas: U.S. and Canada	A
Uzbekistan	998	14 - Europe: Russia & CIS	C
Vanuatu	678	9 - Asia-Pacific: Islands	C
Venezuela	58	3 - Americas: Andean	C
Vietnam	84	8 - Asia: Southeast, Korea and Japan	C
Western Sahara	1212	11 - Middle East: MENA	C
Yemen	967	10 - Middle East: Gulf States	C
Zambia	260	13 - Africa: Sub-Saharan	C
Zimbabwe	263	13 - Africa: Sub-Saharan	C

ANNEX C

S&P REGIONAL DIVERSITY MEASURE TABLE

Country Name	Country Code	Region	Recovery Group
Afghanistan	93	5 - Asia: India, Pakistan and Afghanistan	C
Albania	355	16 - Europe: Eastern	C
Algeria	213	11 - Middle East: MENA	C
Andorra	376	102 - Europe: Western	C
Angola	244	13 - Africa: Sub-Saharan	C
Anguilla	1264	2 - Americas: Other Central and Caribbean	C
Antigua	1268	2 - Americas: Other Central and Caribbean	C
Argentina	54	4 - Americas: Mercosur and Southern Cone	C
Armenia	374	14 - Europe: Russia & CIS	C
Aruba	297	2 - Americas: Other Central and Caribbean	C
Ascension	247	12 - Africa: Southern	C
Australia	61	105 - Asia-Pacific: Australia and New Zealand	A
Austria	43	102 - Europe: Western	A
Azerbaijan	994	14 - Europe: Russia & CIS	C
Bahamas	1242	2 - Americas: Other Central and Caribbean	C
Bahrain	973	10 - Middle East: Gulf States	C
Bangladesh	880	6 - Asia: Other South	C
Barbados	246	2 - Americas: Other Central and Caribbean	C
Belarus	375	14 - Europe: Russia & CIS	C
Belgium	32	102 - Europe: Western	A
Belize	501	2 - Americas: Other Central and Caribbean	C
Benin	229	13 - Africa: Sub-Saharan	C
Bermuda	441	2 - Americas: Other Central and Caribbean	C
Bhutan	975	6 - Asia: Other South	C
Bolivia	591	3 - Americas: Andean	C
Bosnia and Herzegovina	387	16 - Europe: Eastern	C
Botswana	267	12 - Africa: Southern	C
Brazil	55	4 - Americas: Mercosur and Southern Cone	B
British Virgin Islands	284	2 - Americas: Other Central and Caribbean	C
Brunei	673	8 - Asia: Southeast, Korea and Japan	C
Bulgaria	359	16 - Europe: Eastern	C
Burkina Faso	226	13 - Africa: Sub-Saharan	C
Burundi	257	13 - Africa: Sub-Saharan	C
Cambodia	855	8 - Asia: Southeast, Korea and Japan	C
Cameroon	237	13 - Africa: Sub-Saharan	C
Canada	2	101 - Americas: U.S. and Canada	A
Cape Verde Islands	238	13 - Africa: Sub-Saharan	C
Cayman Islands	345	2 - Americas: Other Central and Caribbean	C
Central African Republic	236	13 - Africa: Sub-Saharan	C
Chad	235	13 - Africa: Sub-Saharan	C
Chile	56	4 - Americas: Mercosur and Southern Cone	C
China	86	7 - Asia: China, Hong Kong, Taiwan	C
Colombia	57	3 - Americas: Andean	C
Comoros	269	13 - Africa: Sub-Saharan	C
Congo-Brazzaville	242	13 - Africa: Sub-Saharan	C
Congo-Kinshasa	243	13 - Africa: Sub-Saharan	C
Cook Islands	682	105 - Asia-Pacific: Australia and New Zealand	C
Costa Rica	506	2 - Americas: Other Central and Caribbean	C
Cote d'Ivoire	225	13 - Africa: Sub-Saharan	C
Croatia	385	16 - Europe: Eastern	C
Cuba	53	2 - Americas: Other Central and Caribbean	C
Curacao	599	2 - Americas: Other Central and Caribbean	C
Cyprus	357	102 - Europe: Western	C
Czech Republic	420	15 - Europe: Central	B
Denmark	45	102 - Europe: Western	A
Djibouti	253	17 - Africa: Eastern	C
Dominica	767	2 - Americas: Other Central and Caribbean	C
Dominican Republic	809	2 - Americas: Other Central and Caribbean	C
East Timor	670	8 - Asia: Southeast, Korea and Japan	C
Ecuador	593	3 - Americas: Andean	C
Egypt	20	11 - Middle East: MENA	C

Country Name	Country Code	Region	Recovery Group
El Salvador	503	2 - Americas: Other Central and Caribbean	C
Equatorial Guinea	240	13 - Africa: Sub-Saharan	C
Eritrea	291	17 - Africa: Eastern	C
Estonia	372	15 - Europe: Central	C
Ethiopia	251	17 - Africa: Eastern	C
Fiji	679	9 - Asia-Pacific: Islands	C
Finland	358	102 - Europe: Western	A
France	33	102 - Europe: Western	A
French Guiana	594	2 - Americas: Other Central and Caribbean	C
French Polynesia	689	9 - Asia-Pacific: Islands	C
Gabonese Republic	241	13 - Africa: Sub-Saharan	C
Gambia	220	13 - Africa: Sub-Saharan	C
Georgia	995	14 - Europe: Russia & CIS	C
Germany	49	102 - Europe: Western	A
Ghana	233	13 - Africa: Sub-Saharan	C
Greece	30	102 - Europe: Western	C
Grenada	473	2 - Americas: Other Central and Caribbean	C
Guadeloupe	590	2 - Americas: Other Central and Caribbean	C
Guatemala	502	2 - Americas: Other Central and Caribbean	C
Guinea	224	13 - Africa: Sub-Saharan	C
Guinea-Bissau	245	13 - Africa: Sub-Saharan	C
Guyana	592	2 - Americas: Other Central and Caribbean	C
Haiti	509	2 - Americas: Other Central and Caribbean	C
Honduras	504	2 - Americas: Other Central and Caribbean	C
Hong Kong	852	7 - Asia: China, Hong Kong, Taiwan	A
Hungary	36	15 - Europe: Central	C
Iceland	354	102 - Europe: Western	C
India	91	5 - Asia: India, Pakistan and Afghanistan	C
Indonesia	62	8 - Asia: Southeast, Korea and Japan	C
Iran	98	10 - Middle East: Gulf States	C
Iraq	964	10 - Middle East: Gulf States	C
Ireland	353	102 - Europe: Western	A
Isle of Man	101	102 - Europe: Western	C
Israel	972	11 - Middle East: MENA	A
Italy	39	102 - Europe: Western	B
Jamaica	876	2 - Americas: Other Central and Caribbean	C
Japan	81	8 - Asia: Southeast, Korea and Japan	A
Jordan	962	11 - Middle East: MENA	C
Kazakhstan	8	14 - Europe: Russia & CIS	C
Kenya	254	17 - Africa: Eastern	C
Kiribati	686	9 - Asia-Pacific: Islands	C
Kosovo	383	16 - Europe: Eastern	C
Kuwait	965	10 - Middle East: Gulf States	C
Kyrgyzstan	996	14 - Europe: Russia & CIS	C
Laos	856	8 - Asia: Southeast, Korea and Japan	C
Latvia	371	15 - Europe: Central	C
Lebanon	961	11 - Middle East: MENA	C
Lesotho	266	12 - Africa: Southern	C
Liberia	231	13 - Africa: Sub-Saharan	C
Libya	218	11 - Middle East: MENA	C
Liechtenstein	102	102 - Europe: Western	C
Lithuania	370	15 - Europe: Central	C
Luxembourg	352	102 - Europe: Western	A
Macedonia	389	16 - Europe: Eastern	C
Madagascar	261	13 - Africa: Sub-Saharan	C
Malawi	265	13 - Africa: Sub-Saharan	C
Malaysia	60	8 - Asia: Southeast, Korea and Japan	C
Maldives	960	6 - Asia: Other South	C
Mali	223	13 - Africa: Sub-Saharan	C
Malta	356	102 - Europe: Western	C
Martinique	596	2 - Americas: Other Central and Caribbean	C
Mauritania	222	13 - Africa: Sub-Saharan	C
Mauritius	230	12 - Africa: Southern	C
Mexico	52	1 - Americas: Mexico	B

Country Name	Country Code	Region	Recovery Group
Micronesia	691	9 - Asia-Pacific: Islands	C
Moldova	373	14 - Europe: Russia & CIS	C
Monaco	377	102 - Europe: Western	C
Mongolia	976	14 - Europe: Russia & CIS	C
Montenegro	382	16 - Europe: Eastern	C
Montserrat	664	2 - Americas: Other Central and Caribbean	C
Morocco	212	11 - Middle East: MENA	C
Mozambique	258	13 - Africa: Sub-Saharan	C
Myanmar	95	8 - Asia: Southeast, Korea and Japan	C
Namibia	264	12 - Africa: Southern	C
Nauru	674	9 - Asia-Pacific: Islands	C
Nepal	977	6 - Asia: Other South	C
Netherlands	31	102 - Europe: Western	A
New Caledonia	687	9 - Asia-Pacific: Islands	C
New Zealand	64	105 - Asia-Pacific: Australia and New Zealand	C
Nicaragua	505	2 - Americas: Other Central and Caribbean	C
Niger	227	13 - Africa: Sub-Saharan	C
Nigeria	234	13 - Africa: Sub-Saharan	C
North Korea	850	8 - Asia: Southeast, Korea and Japan	C
Norway	47	102 - Europe: Western	A
Oman	968	10 - Middle East: Gulf States	C
Pakistan	92	5 - Asia: India, Pakistan and Afghanistan	C
Palau	680	9 - Asia-Pacific: Islands	C
Palestinian Settlements	970	11 - Middle East: MENA	C
Panama	507	2 - Americas: Other Central and Caribbean	C
Papua New Guinea	675	9 - Asia-Pacific: Islands	C
Paraguay	595	4 - Americas: Mercosur and Southern Cone	C
Peru	51	3 - Americas: Andean	C
Philippines	63	8 - Asia: Southeast, Korea and Japan	C
Poland	48	15 - Europe: Central	B
Portugal	351	102 - Europe: Western	A
Qatar	974	10 - Middle East: Gulf States	C
Romania	40	16 - Europe: Eastern	C
Russia	7	14 - Europe: Russia & CIS	C
Rwanda	250	13 - Africa: Sub-Saharan	C
Samoa	685	9 - Asia-Pacific: Islands	C
Sao Tome & Principe	239	13 - Africa: Sub-Saharan	C
Saudi Arabia	966	10 - Middle East: Gulf States	C
Senegal	221	13 - Africa: Sub-Saharan	C
Serbia	381	16 - Europe: Eastern	C
Seychelles	248	12 - Africa: Southern	C
Sierra Leone	232	13 - Africa: Sub-Saharan	C
Singapore	65	8 - Asia: Southeast, Korea and Japan	A
Slovak Republic	421	15 - Europe: Central	C
Slovenia	386	102 - Europe: Western	C
Solomon Islands	677	9 - Asia-Pacific: Islands	C
Somalia	252	17 - Africa: Eastern	C
South Africa	27	12 - Africa: Southern	B
South Korea	82	8 - Asia: Southeast, Korea and Japan	C
Spain	34	102 - Europe: Western	A
Sri Lanka	94	6 - Asia: Other South	C
St. Helena	290	12 - Africa: Southern	C
St. Kitts/Nevis	869	2 - Americas: Other Central and Caribbean	C
St. Lucia	758	2 - Americas: Other Central and Caribbean	C
St. Vincent & Grenadines	784	2 - Americas: Other Central and Caribbean	C
Sudan	249	17 - Africa: Eastern	C
Suriname	597	2 - Americas: Other Central and Caribbean	C
Swaziland	268	12 - Africa: Southern	C
Sweden	46	102 - Europe: Western	A
Switzerland	41	102 - Europe: Western	A
Syrian Arab Republic	963	11 - Middle East: MENA	C
Taiwan	886	7 - Asia: China, Hong Kong, Taiwan	C
Tajikistan	992	14 - Europe: Russia & CIS	C
Tanzania/Zanzibar	255	13 - Africa: Sub-Saharan	C

Country Name	Country Code	Region	Recovery Group
Thailand	66	8 - Asia: Southeast, Korea and Japan	C
Togo	228	13 - Africa: Sub-Saharan	C
Tonga	676	9 - Asia-Pacific: Islands	C
Trinidad & Tobago	868	2 - Americas: Other Central and Caribbean	C
Tunisia	216	11 - Middle East: MENA	C
Turkey	90	16 - Europe: Eastern	C
Turkmenistan	993	14 - Europe: Russia & CIS	C
Turks & Caicos	649	2 - Americas: Other Central and Caribbean	C
Tuvalu	688	9 - Asia-Pacific: Islands	C
Uganda	256	13 - Africa: Sub-Saharan	C
Ukraine	380	14 - Europe: Russia & CIS	C
United Arab Emirates	971	10 - Middle East: Gulf States	C
United Kingdom	44	102 - Europe: Western	A
Uruguay	598	4 - Americas: Mercosur and Southern Cone	C
USA	1	101 - Americas: U.S. and Canada	A
Uzbekistan	998	14 - Europe: Russia & CIS	C
Vanuatu	678	9 - Asia-Pacific: Islands	C
Venezuela	58	3 - Americas: Andean	C
Vietnam	84	8 - Asia: Southeast, Korea and Japan	C
Western Sahara	1212	11 - Middle East: MENA	C
Yemen	967	10 - Middle East: Gulf States	C
Zambia	260	13 - Africa: Sub-Saharan	C
Zimbabwe	263	13 - Africa: Sub-Saharan	C
Reserved Country 1	1001		
Reserved Country 2	1002		
Reserved Country 3	1003		
Reserved Country 4	1004		
Reserved Country 5	1005		
Reserved Country 6	1006		
Reserved Country 7	1007		
Reserved Country 8	1008		
Reserved Country 9	1009		
Reserved Country 10	1010		
Reserved Country 11	1011		
Reserved Country 12	1012		
Reserved Country 13	1013		
Reserved Country 14	1014		
Reserved Country 15	1015		
Reserved Country 16	1016		
Reserved Country 17	1017		
Reserved Country 18	1018		
Reserved Country 19	1019		
Reserved Country 20	1020		
Reserved Country 21	1021		
Reserved Country 22	1022		
Reserved Country 23	1023		
Reserved Country 24	1024		
Reserved Country 25	1025		

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