NOTICE

You must read the following disclaimer before continuing

THIS DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE TRANSMITTED INTO OR DISTRIBUTED WITHIN THE UNITED STATES TO PERSONS UNLESS SUCH PERSONS ARE EITHER (X) BOTH A "QUALIFIED INSTITUTIONAL BUYER" ("**QIB**") (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**")) IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT AND A "QUALIFIED PURCHASER" ("**QP**") FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), IN EACH CASE FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO THE DISTRIBUTION OF THE SECURITIES DESCRIBED HEREIN (EXCEPT IN ACCORDANCE WITH RULE 144A) OR (Y) NOT A "U.S. PERSON" AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") WITH A VIEW TO PURCHASING THE SECURITIES DESCRIBED HEREIN IN AN "OFFSHORE TRANSACTION" WITHIN THE MEANING OF REGULATION S.

THIS OFFERING CIRCULAR IS NOT A PROSPECTUS FOR THE PURPOSES OF EU DIRECTIVE 2003/71/EC (AS AMENDED) OR ANY IMPLEMENTING LEGISLATION OR RULES RELATING THERETO. COPIES OF THIS OFFERING CIRCULAR WILL, FOLLOWING PUBLICATION, BE AVAILABLE FROM THE REGISTERED OFFICE OF ALME LOAN FUNDING IV B.V..

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

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

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

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Confirmation of Your Representation: In order to be eligible to view the document or make an investment decision with respect to the securities, investors must either be (a) U.S. Persons that are both a QIB and a QP or (b) non-U.S. Persons (as defined in Regulation S under the Securities Act) with a view to purchasing the securities described herein in offshore transactions (within the meaning of Regulation S under the Securities Act). The document is being sent at your request and by accepting the e-mail and accessing the document, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) U.S. Persons that are both a QIB and a QP or (b) non-U.S. Persons, (2) such acceptance and access to the document by you and any customer that you represent is not unlawful in the jurisdiction where it is being made to you and any customers you represent and (3) you consent to delivery of the document by electronic transmission.

The document has been sent to you in the belief that you are (a) a person in member states of the European Economic Area ("**EEA**") that is a "qualified investor" within the meaning of Article 2(1)(e) of EU Directive 2003/71/EC (as amended) ("**Qualified Investor**"), (b) in the United Kingdom (the "**UK**"), a Qualified Investor of the kind described in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth in such Order so that section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply to the Issuer and (c) a person to whom the document can be sent lawfully in accordance with all other applicable securities laws. If this is not the case then you must return the document immediately.

The document has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of ALME Loan Funding IV B.V., Deutsche Bank AG, London Branch, Apollo Management International LLP, Elavon Financial Services Limited (or any person who controls any of them or any director, officer, employee or agent of any of them, or any Affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from us.

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ALME Loan Funding IV B.V.

(a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its statutory seat in Amsterdam, The Netherlands and its registered office at Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands and registered with the trade register of the Chamber of Commerce (*Kamer van Koophandel*) under number 62477897)

€272,250,000 Class A Senior Secured Floating Rate Notes due 2030
€40,500,000 Class B-1 Senior Secured Floating Rate Notes due 2030
€10,000,000 Class B-2 Senior Secured Fixed Rate Notes due 2030
€23,750,000 Class C Senior Secured Deferrable Floating Rate Notes due 2030
€23,750,000 Class D Senior Secured Deferrable Floating Rate Notes due 2030
€29,500,000 Class E Senior Secured Deferrable Floating Rate Notes due 2030
€14,500,000 Class F Senior Secured Deferrable Floating Rate Notes due 2030
€44,500,000 Participating Term Certificates due 2046

The assets securing the Securities (as defined below) will consist of a portfolio of primarily Senior Loans, Secured Senior Bonds, Mezzanine Obligations and High Yield Bonds managed by Apollo Management International LLP (the "**Collateral Manager**").

ALME Loan Funding IV B.V. (the "**Issuer**") will issue the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates (each as defined herein).

The Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (such Classes, the "**Rated Notes**") together with the Participating Term Certificates are collectively referred to herein as the "**Securities**". The Securities will be issued and the Rated Notes secured pursuant to a trust deed (the "**Trust Deed**") dated on or about 14 January 2016 (the "**Issue Date**"), made between (amongst others) the Issuer and U.S. Bank Trustees Limited, in its capacity as trustee (the "**Trustee**").

Interest on the Securities will be payable (i) quarterly in arrear on 15 January, 15 April, 15 July and 15 October at any time other than following the occurrence of a Frequency Switch Event (as defined herein); and (ii) semi-annually in arrear following the occurrence of a Frequency Switch Event on (A) 15 January and 15 July (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is 15 January or 15 July), or (B) 15 April and 15 October (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is 15 April or 15 October), commencing on 15 October 2016 and ending on the Maturity Date (as defined herein) (subject to any earlier redemption of the Securities and in each case subject to adjustment for non-Business Days in accordance with the Conditions and in accordance with the Priorities of Payment).

The Securities 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 SECURITIES.

This Offering Circular does not constitute a prospectus for the purpose of Article 5 of Directive 2003/71/EC (as such directive may be amended from time to time, the "**Prospectus Directive**"). The Issuer is not offering the Securities in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive. Application has been made to The Irish Stock Exchange p.l.c. (the "**Irish Stock Exchange**") for the Securities to be admitted to the Official List (the "**Official List**") and trading on the Global Exchange Market of the Irish Stock Exchange (the "**Global Exchange**

Market"). There can be no assurance that such listing will be maintained. This document constitutes the "listing particulars" (the "**Listing Particulars**") for the purpose of such application and has been approved by the Irish Stock Exchange.

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

The Securities have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered only: (a) outside the United States to non-U.S. Persons in compliance with Regulation S under the Securities Act ("**Regulation S**") (where "**U.S. Persons**" shall have the meaning given to it in Regulation S); and (b) within the United States to persons and outside the United States to U.S. Persons, in each case, who are both qualified institutional buyers (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on Rule 144A 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 Securities will be subject to certain restrictions on transfer, and each purchaser of Securities offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. See "*Plan of Distribution*" and "*Transfer Restrictions*".

The Securities (other than the Retention Securities purchased by the Retention Holder and certain of the Participating Term Certificates purchased by the relevant purchasers pursuant to the terms of the applicable PTC Purchase Agreement) are being offered by the Issuer through Deutsche Bank AG, London Branch in its capacity as initial purchaser of the offering of such Securities (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 Securities will be made on or about the Issue Date. The Initial Purchaser may offer the Securities at prices as may be negotiated at the time of sale which may vary among different purchasers. The Retention Securities to be purchased by the Retention Holder shall be purchased directly from the Issuer by the Retention Holder. The Participating Term Certificates to be purchased by the Collateral Manager and/or its Affiliates shall be purchased directly from the Issuer or the Initial Purchaser by the relevant purchasers pursuant to the terms of the applicable PTC Purchase Agreement, as applicable.

Deutsche Bank AG, London Branch

Sole Arranger and Initial Purchaser

The date of this Offering Circular is 12 January 2016.

The Issuer accepts responsibility for the information contained in this document (save for the information contained in the sections of this document headed "Risk Factors – Relating to certain conflicts of interest – Collateral Manager", "The Collateral Manager", "Description of the Collateral Administrator" and "The Retention Holder and Retention Requirements – Description of the Retention Holder") and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information included in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Manager accepts responsibility for the information contained in the sections of this document headed "Risk Factors – Relating to certain conflicts of interest – Collateral Manager", "The Collateral Manager" and "The Retention Holder and Retention Requirements – Description of the Retention Holder". 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. Except for the sections of this document headed "Risk Factors – Relating to certain conflicts of interest – Collateral Manager", "The Collateral Manager" and "The Retention Holder and Retention Requirements – Description of the Retention Holder" in the case of the Collateral Manager and "Description of the Collateral Administrator", in the case of the Collateral Administrator neither the Collateral Manager nor the Collateral Administrator accepts any responsibility for the accuracy and completeness of any information contained in this Offering Circular. The delivery of this Offering Circular at any time does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.

None of the Initial Purchaser, the Trustee, the Collateral Manager (save in respect of the sections headed "Risk Factors – Relating to certain conflicts of interest – Collateral Manager", "The Collateral Manager" and "The Retention Holder and Retention Requirements – Description of the Retention Holder"), the Collateral Administrator (save in respect of the section headed "Description of the Collateral Administrator"), any Agent, any Hedge Counterparty, or any other party has separately verified the information contained in this Offering Circular and, accordingly, none of the Initial Purchaser, the Trustee, the Collateral Manager (save as specified above) the Collateral Administrator (save as specified above), any Agent, any Hedge Counterparty, or any other party (save for the Issuer as specified above) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Offering Circular or in any further notice or other document which may at any time be supplied in connection with the Securities or their distribution or accepts any responsibility or liability therefor. None of the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent, any Hedge Counterparty, or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Securities of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular. None of the Initial Purchaser, the Trustee, the Collateral Manager (save as specified above), the Collateral Administrator (save as specified above), any Agent, any Hedge Counterparty, or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Offering Circular.

*This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Initial Purchaser, or any of their Affiliates, the Collateral Manager, the Collateral Administrator or any other person to subscribe for or purchase any of the Securities. The distribution of this Offering Circular and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Initial Purchaser to inform themselves about and to observe any such restrictions. In particular, the communication constituted by this Offering Circular is directed only at persons who (i) are persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of Directive 2003/71/EC ("**Qualified Investors**"), (ii) are persons in the United Kingdom who are Qualified Investors*

of the kind described in 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; or (iii) are persons to whom this document can be sent lawfully in accordance with all other applicable securities laws (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 Securities and distribution of this Offering Circular, see "Plan of Distribution" and "Transfer Restrictions" below.

In connection with the issue and sale of the Securities, no person is authorised to give any information or to make any representation not contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator. The delivery of this Offering Circular at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

*In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "Euro", "euro", "€" and "EUR" are to the lawful currency of the Member States of the European Union that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; provided that if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the "**Exiting State(s)**"), the euro shall, 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 references to "Sterling" and "£" shall mean the lawful currency of the United Kingdom and any references to "U.S. Dollar", "U.S. dollar", "U.S.D.", "U.S. Dollar" or "$" shall mean the lawful currency of the United States of America.*

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

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

NOTICE TO NEW HAMPSHIRE RESIDENTS

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

RETENTION REQUIREMENTS

In accordance with the Retention Requirements, the Collateral Manager in its capacity as Retention Holder will undertake, amongst other matters, to retain a material net economic interest of not less than five per cent. of the nominal value of each Class of Securities within the meaning of paragraph 1(a) of Article 405 of the CRR, Article 51(1)(a) of the AIFMD Delegated Regulation and Article 254 of Solvency II (in each case as such provision applies as at the Issue Date) by subscribing for and holding, on an on-going basis, and for so long as any Securities are Outstanding, no less than five per cent. of the Principal Amount Outstanding of each Class of Securities (such Securities being the "**Retention Securities**"), as further described in "*The Retention Holder and Retention Requirements*".

Each prospective investor in the Securities is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with the Retention Requirements or any other regulatory requirement. None of the Issuer, the Collateral Manager, the Initial Purchaser, the Collateral Administrator, the Trustee, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such Person shall have any liability to any prospective investor or any other Person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the Retention Requirements or any other applicable legal, regulatory or other requirements. Each prospective investor in the Securities which is subject to the Retention Requirements or any other regulatory requirement should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and any other requirements of which it is uncertain. See "*Risk Factors – Relating to the Securities – European Risk Retention and Due Diligence*" and "*The Retention Holder and Retention 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) are generally prohibited from, among other things, acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to as covered funds. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds.

An "ownership interest" is broadly defined 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 of an investment advisor, manager, or board of directors of the covered fund.

The Issuer may be deemed to be a "covered fund" under the Volcker Rule and, in such circumstances, in the absence of regulatory relief, the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of U.S. "banking entities" and non-U.S. affiliates of U.S. banking institutions to hold an ownership interest in the Issuer or enter into financial transactions with the Issuer. If the Issuer is deemed to be a "covered fund", this could significantly impair the marketability and liquidity of the Securities.

It should be noted that the Participating Term Certificates are likely to be characterised as ownership interests in the Issuer for this purpose and it is uncertain 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 Holders to participate in the removal of, and/or selection of a replacement for, the Collateral Manager in and of itself will be construed as indicative of an ownership interest by the Holders of the relevant Class.

The Transaction Documents provide that the right of holders of the Securities 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. The holders of any Class A Notes, Class B Notes, Class C Notes or Class D Notes in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes are

disenfranchised in respect of any CM Removal Resolution or CM Replacement Resolution. However, there can be no assurance that these features will be effective in resulting in such 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.

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 Securities. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Securities should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each prospective investor must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. None of the Issuer, the Collateral Manager, the Trustee, the Initial Purchaser or their respective Affiliates or any other Person makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Securities, now or at any time in the future. See "*Risk Factors – Regulatory Initiatives – Volcker Rule*" below for further information.

Information as to placement within the United States

The Securities of each Class offered pursuant to an exemption from registration under Rule 144A under the Securities Act ("**Rule 144A**") (the "**Rule 144A Notes**") will be sold only to "qualified institutional buyers" (as defined in Rule 144A) ("**QIBs**") that are also "qualified purchasers" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). Rule 144A Notes of each Class will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or in some cases definitive certificates (each a "**Rule 144A Definitive Certificate**" and together the "**Rule 144A Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a custodian for The Depository Trust Company ("**DTC**") or in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Securities of each Class sold outside the United States to non-U.S. Persons in "offshore transactions" in reliance on Regulation S ("**Regulation S**") under the Securities Act (the "**Regulation S Notes**") will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**"), or in some cases by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**") in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of a 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, Clearstream, Luxembourg and DTC (as applicable) and their respective participants. Securities in definitive certificated form will be issued only in limited circumstances. In each case, purchasers and transferees of Securities will be deemed and in certain circumstances will be required to have made certain representations and agreements. See "*Form of the Securities*", "*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 Securities (other than a non-U.S. Person outside the U.S.) will be deemed to have represented and agreed that it is a QIB that is also a QP and will also be deemed to have made the representations set out in "*Transfer Restrictions*" herein. The purchaser of any Security (other than in the case of the Initial Purchaser), by such purchase, agrees that such Security is being acquired for its own account and not with a view to distribution and may be resold, pledged or otherwise transferred only (1) to the Issuer (upon redemption thereof or otherwise), (2) to a person the purchaser reasonably believes is a QIB 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*" below.

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

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

This Offering Circular has been prepared by the Issuer solely for use in connection with the offering of the Securities described herein (the "**Offering**"). Each of the Issuer and the Initial Purchaser reserves the right to reject any offer to purchase Securities in whole or in part for any reason, or to sell less than the stated initial principal amount of any Class of Securities 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 Securities. 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.

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

Available Information

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

General Notice

EACH PURCHASER OF THE SECURITIES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH SECURITIES OR POSSESSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH SECURITIES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE INITIAL PURCHASER, THE COLLATERAL MANAGER (OR ANY OF THEIR AFFILIATES), THE TRUSTEE (OR ANY OF THEIR RESPECTIVE AFFILIATES), OR THE COLLATERAL ADMINISTRATOR SPECIFIED HEREIN SHALL HAVE ANY RESPONSIBILITY THEREFOR.

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

Commodity Pool Regulation

BASED UPON INTERPRETIVE GUIDANCE PROVIDED FROM A DIVISION OF 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 ONE OR MORE HEDGE AGREEMENTS (OR ANY OTHER AGREEMENT THAT WOULD FALL WITHIN THE DEFINITION OF "SWAP" AS SET OUT IN THE CEA (AS DEFINED BELOW)), 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" OR A "COMMODITY TRADING ADVISOR" (AS SUCH TERMS ARE DEFINED IN THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "**CEA**") AND CFTC REGULATIONS), IN RESPECT OF THE ISSUER. IN THE EVENT THAT TRADING OR ENTERING INTO ONE OR MORE HEDGE AGREEMENTS WOULD RESULT IN THE ISSUER'S ACTIVITIES FALLING WITHIN THE DEFINITION OF A "COMMODITY POOL", THE COLLATERAL MANAGER WOULD EITHER SEEK TO UTILISE ANY AVAILABLE EXEMPTIONS FROM REGISTRATION AS A COMMODITY POOL OPERATOR (A "**CPO**") AND/OR A COMMODITY TRADING ADVISOR (A "**CTA**") OR REGISTER AS A CPO/CTA. UTILIZING ANY SUCH EXEMPTION FROM REGISTRATION MAY IMPOSE ADDITIONAL COSTS ON THE COLLATERAL MANAGER, AND MAY SIGNIFICANTLY LIMIT ITS ABILITY TO ENGAGE IN HEDGING ACTIVITIES ON BEHALF OF THE ISSUER. IF THE COLLATERAL MANAGER IS REQUIRED TO REGISTER AS A CPO/CTA, IT WILL BECOME SUBJECT TO NUMEROUS REPORTING AND OTHER REQUIREMENTS AND SIGNIFICANT LIMITATIONS ON HOW IT MANAGES THE ISSUER AND THE TYPES OF INVESTMENTS IT MAY MAKE ON THE ISSUER'S BEHALF AND IT IS EXPECTED THAT IT WILL INCUR SIGNIFICANT ADDITIONAL COSTS IN COMPLYING WITH ITS OBLIGATIONS AS A REGISTERED CPO, WHICH COSTS ARE EXPECTED TO BE PASSED ON TO THE ISSUER AND MAY ADVERSELY AFFECT THE ISSUER'S ABILITY TO MAKE PAYMENT ON THE SECURITIES.

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OVERVIEW

*The following Overview does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this offering circular (this "**Offering Circular**") and related documents referred to herein. Capitalised terms not specifically defined in this Overview have the meanings set out in Condition 1 (Definitions) under "Terms and Conditions" below or are defined elsewhere in this Offering Circular. An index of defined terms appears at the back of this Offering Circular. References to a "Condition" are to the specified Condition in the "Terms and Conditions" below and references to "Conditions" are to the "Terms and Conditions" below. For a discussion of certain risk factors to be considered in connection with an investment in the Securities, see "Risk Factors".*

Issuer	ALME Loan Funding IV B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its statutory seat in Amsterdam, The Netherlands and its registered office at Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands and registered with the trade register of the Chamber of Commerce (*Kamer van Koophandel*) under number 62477897
Collateral Manager	Apollo Management International LLP
Trustee	U.S. Bank Trustees Limited
Initial Purchaser	Deutsche Bank AG, London Branch
Collateral Administrator	Elavon Financial Services Limited

Securities

Class of Securities	Principal amount	Stated Interest Rate[1]	Alternative Stated Interest Rate[2]	Fitch Ratings of at least[3]	Moody's Ratings of at least[3]	Maturity Date[4]	Issue Price
A	€272,250,000	3 month EURIBOR +1.50%	6 month EURIBOR +1.50%	AAA sf	Aaa (sf)	15 January 2030	99.74%
B-1	€40,500,000	3 month EURIBOR + 2.30%	6 month EURIBOR + 2.30%	AA sf	Aa2 (sf)	15 January 2030	100.00%
B-2	€10,000,000	2.689%	2.689%	AA sf	Aa2 (sf)	15 January 2030	100.00%
C	€23,750,000	3 month EURIBOR + 3.10%	6 month EURIBOR + 3.10%	A sf	A2 (sf)	15 January 2030	100.00%
D	€23,750,000	3 month EURIBOR + 3.65%	6 month EURIBOR + 3.65%	BBB sf	Baa2 (sf)	15 January 2030	96.54%

E	€29,500,000	3 month EURIBOR + 5.75%	6 month EURIBOR + 5.75%	BB sf	Ba2 (sf)	15 January 2030	96.01%
F	€14,500,000	3 month EURIBOR + 6.95%	6 month EURIBOR + 6.95%	B- sf	B2 (sf)	15 January 2030	91.37%
Participating Term Certificates	€44,500,000	N/A	N/A	N/A	N/A	15 January 2046	93.78%

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-2 Notes) for the period from, and including, the Issue Date to, but excluding, the first Payment Date will be determined by reference to a straight line interpolation of nine month EURIBOR and twelve month EURIBOR.

2 Applicable at all times following 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-2 Notes) for the period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date will, if the final Payment Date prior to the Maturity Date falls in October, be determined by reference to three month EURIBOR.

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

4 The Maturity Date of each Class of Securities will in each case be subject to adjustment for non-Business Days in accordance with the Conditions.

5 Each of the Issuer and the Initial Purchaser may offer the Securities at prices as may be negotiated at the time of such sale which may vary among different purchasers and which may be different from the issue price of the Securities.

Eligible Purchasers

The Securities of each Class will be offered:

(a) outside of the United States to non-U.S. Persons 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.

Distributions on the Securities

Payment Dates

Interest on the Securities will be payable:

(a) following the occurrence of a Frequency Switch Event on (A) 15 January and 15 July (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is either 15 January or 15 July), or (B) 15 April and 15 October (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is either 15 April or 15 October); and

(b) on 15 January, 15 April, 15 July and 15 October, at all other times,

commencing on 15 October 2016 and ending on the Maturity Date (subject to any earlier redemption of the Securities and in each case to adjustment for non-Business Days in accordance with the Conditions).

Frequency Switch Event

The occurrence on any Frequency Switch Measurement Date of either:

(a) (i) the Aggregate Principal Balance of all Collateral Obligations that reset so as to become Semi-Annual Obligations in the previous Due Period (or where such Due Period is the first Due Period, in the last three months of such Due Period), being greater than or equal to 20.0 per cent. of the Collateral Principal Amount; and

(ii) the Class A/B Interest Coverage Ratio being less than 101.0 per cent. (and provided that, for such purpose, paragraph (b) of the definition of Interest Coverage Amount shall be deemed to be equal to zero); or

(b) the Collateral Manager declaring in its sole discretion that a Frequency Switch Event shall have occurred.

Stated Note Interest

Interest in respect of the Securities 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 in October 2016) in accordance with the Interest Proceeds Priority of Payments.

Non-payment and Deferral of Interest

Failure on the part of the Issuer to pay the Interest Amounts due and payable on the Class A Notes or the Class B Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payment shall not be a Note Event of Default unless and until such failure continues for a period of at least five Business Days save:

(a) in the case of an administrative error or omission by

the Collateral Manager, the Trustee, the Collateral Administrator, the Account Bank or any Paying Agent (unless such failure continues for a period of at least ten Business Days after the Trustee has received written notice of, or has actual knowledge of, such administrative error or omission); and

(b) as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*).

Subject to Condition 10(a)(i) (*Non-payment of interest*), failure on the part of the Issuer to pay the Interest Amounts due and payable on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payment by reason solely that there are insufficient funds standing to the credit of the Payment Account will not constitute a Note Event of Default. To the extent that interest payments on the Class C Notes, Class D Notes, the Class E Notes or the Class F Notes are not made on the relevant Payment Date, an amount equal to such unpaid interest will be added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (as applicable) and, from the date such unpaid interest is added to the applicable Principal Amount Outstanding of the relevant Class of Rated Notes, such unpaid amount will accrue interest at the rate of interest applicable to the relevant Class of Rated Notes. See also Condition 6(c) (*Deferral of Interest*).

Non-payment of amounts due and payable on the Participating Term Certificates as a result of the insufficiency of available proceeds will not constitute a Note Event of Default.

Redemption of the Securities

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

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

(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, 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 in each case and, thereafter, out of Principal Proceeds subject to the Priorities of Payment 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 in redemption of the Securities at their applicable Redemption Prices in accordance with the Priorities of Payment (see Condition 7(f) (*Redemption following Expiry of the Reinvestment Period*));

(e) on any Payment Date during the Reinvestment Period at the discretion of the Collateral Manager (acting on behalf of the Issuer) following written notification by the Collateral Manager to the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion in sufficient amounts to permit the investment of all or a portion of the funds then available for reinvestment and the Collateral Manager elects, in its sole discretion, to designate all or a portion of those funds as a Special Redemption Amount (see Condition 7(d) (*Special Redemption*));

(f) in whole (with respect to all Classes of Rated Notes) but not in part on any Business Day following the expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) if either (x) the Issuer (as directed by the holders of the Participating Term Certificates (acting by way of Extraordinary Resolution)) directs, by a written notice to the Collateral Manager, an optional redemption of the Rated Notes, in whole but not in part, with the Sale Proceeds or the Refinancing Proceeds (or combination thereof), or (y) a written notice to the Issuer directing an optional redemption of the Rated Notes, in whole but not in part, with the Sale Proceeds or the Refinancing Proceeds (or combination thereof), is sent from the Collateral Manager (see Condition 7(b)(i) (*Optional Redemption in Whole - Participating Term Certificateholders/Collateral Manager*));

(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 by the holders of the Participating Term Certificates (acting by Ordinary Resolution) or in writing by the Collateral Manager, after having provided at least 20 days prior written notice to the Holders, as long as the Class of Rated Notes to be redeemed represents not less than the

entire Class of such Rated Notes (see Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager*));

(h) the Participating Term Certificates may be redeemed in whole at the direction of the holders of the Participating Term Certificates (acting by way of Ordinary Resolution) or at the direction of the Collateral Manager, in each case following the redemption in full of all Classes of Rated Notes (see Condition 7(b)(viii) (*Optional Redemption of Participating Term Certificates*));

(i) 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 Participating Term Certificateholders acting by way of Ordinary Resolution (see Condition 7(b)(i) (*Optional Redemption in Whole - Participating Term Certificateholders/Collateral Manager*));

(j) in whole (with respect to all Classes of Securities) on any Business Day at the option of the Controlling Class or the holders of the Participating Term Certificates, 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*));

(k) 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 Collateral Principal Amount is less than 15.0 per cent. of the Target Par Amount and such redemption is directed in writing by the Collateral Manager (see Condition 7(b)(iii) (*Optional Redemption in Whole - Clean-up Call*));

(l) subject to certain conditions, at any time after the Non-Call Period, upon a Non-Consenting Amendment Redemption, at the option of the Collateral Manager in respect of Rated Notes held by a Non-Consenting Holder (see Condition 7(h) (*Non-Consenting Amendment Redemption*)); and

(m) at any time following an acceleration of the Securities following a Note Event of Default which occurs and is continuing and has not been cured or waived (see Condition 10 (*Note Events of Default*)).

Non-Call Period During the period from the Issue Date up to, but excluding, 15 January 2018 (the "**Non-Call Period**"), the Securities are not subject to Optional Redemption (save for upon a

Collateral Tax Event, a Note Tax Event or a Special Redemption). See Condition 7(b) (*Optional Redemption*), Condition 7(d) (*Special Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*).

Redemption Prices

The Redemption Price of each Class of Rated Notes will be (a) 100 per cent. of the Principal Amount Outstanding of the Securities to be redeemed (including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any accrued and unpaid Deferred Interest on such Securities) (subject, in the case of an Optional Redemption of the Rated Notes in whole, to the right of Holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the Holders of such Class of Rated Notes exercisable in accordance with Condition 7(b)(iv)(B) (*Terms and Conditions of an Optional Redemption*)) plus (b) accrued and unpaid interest thereon to the day of redemption.

The Redemption Price for each Participating Term Certificate will be its pro rata share (calculated in accordance with paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (U) of the Principal Proceeds Priority of Payments or paragraph (AA) 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 Payment.

Priorities of Payment

Prior to the delivery of an Acceleration Notice in accordance with Condition 10(b) (*Acceleration*) or the automatic acceleration of the Securities or following the delivery of an Acceleration Notice which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), and other than in connection with an Optional Redemption in whole pursuant to Condition 7(b) (*Optional Redemption*) or 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 Securities in accordance with Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption following Note Tax Event*) or following the effectiveness of an Acceleration Notice in accordance with Condition 10(b) (*Acceleration*) which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or following the automatic acceleration of the Securities, Interest Proceeds and Principal Proceeds will be applied in accordance with the Post-Acceleration Priority of Payments, in each case as described in the Conditions.

Collateral Management Fees

Senior Management Fee	0.15 per cent. per annum of the Collateral Principal Amount (exclusive of any VAT thereon). See "*Description of the Collateral Management Agreement – Compensation of the Collateral Manager*".
Subordinated Management Fee	0.35 per cent. per annum of the Collateral Principal Amount (exclusive of any VAT thereon). See "*Description of the Collateral Management Agreement - Compensation of the Collateral Manager*".
Incentive Fee	After having met or surpassed the Incentive Management Fee IRR Threshold of 12.0 per cent. (exclusive of any VAT thereon), 20.0 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Participating Term Certificateholders, in accordance with the Priorities of Payment. See "*Description of the Collateral Management Agreement - Compensation of the Collateral Manager*".

Security for the Rated Notes

General	The Rated Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over a portfolio of Collateral Obligations. The Rated Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of the Issuer Dutch Account and the Issuer Management Agreement. The Participating Term Certificates shall not benefit from any security, see Condition 4 (*Security*), and therefore shall represent unsecured obligations of the Issuer.
Hedge Arrangements	The Issuer (or the Collateral Manager on its behalf) may enter into Hedge Transaction which will be used: (a) in the case of an Interest Rate Hedge Transaction, to hedge any interest rate mismatch between the Rated Notes and the Collateral Obligations; and (b) in the case of a Currency Hedge Transaction, to exchange payments of principal, interest and other amounts in respect of any Non-Euro Obligation for amounts denominated in Euros at the Currency Hedge Transaction Exchange Rate, in each case subject to (i) satisfaction of the Hedging Condition, (ii) receipt of Rating Agency Confirmation in respect thereof (save in the case of a Form Approved Hedge) and (iii) the Hedge Counterparty satisfying the applicable Rating Requirement (taking into account any guarantor thereof) and having the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents. See "*Hedging Arrangements*".

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 and any Hedge Agreements, to act in specific circumstances in relation to the Portfolio and any Hedge Agreements on behalf of the Issuer and to carry out the duties and functions described therein. Pursuant to the Collateral Management Agreement, the Issuer delegates authority to the Collateral Manager to carry out certain functions in relation to the Portfolio and any Hedge Agreements 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*". Pursuant to the Warehouse Arrangements, the Collateral Manager has selected the Warehoused Assets. See "*Risk Factors – Relating to the Collateral Obligations – The Warehouse Arrangements*".

Purchase of Collateral Obligations

As of the Issue Date	The Issuer has committed to purchase Collateral Obligations the Aggregate Principal Balance of which equals approximately €422,251,718.36 (representing approximately 93.8 per cent. of the Target Par Amount).
Initial Investment Period	During the period from and including the Issue Date to but excluding the earlier of: (a) the date designated for such purpose by the Collateral Manager, subject to the Effective Date Determination Requirements having been satisfied; and (b) the date that is 6 months from the Issue Date, the Collateral Manager on behalf of the Issuer intends to purchase additional Collateral Obligations, subject to the Eligibility Criteria and certain other restrictions in order that the Aggregate Principal Balance thereof is at least equal to the Target Par Amount (provided that for the purposes of determining such Aggregate Principal Balance, any repayments or prepayments of Collateral Obligations subsequent to the Issue Date may be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its Fitch Collateral Value and its Moody's Collateral Value).
Reinvestment in Collateral Obligations	Subject to the limits described in the Collateral Management Agreement and Principal Proceeds being available, the Collateral Manager may from time to time at its discretion purchase Substitute Collateral Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the Reinvestment Period. Following expiry of the Reinvestment Period, only Sale Proceeds from the sale of Credit Risk Obligations, Credit

Improved Obligations and Unscheduled Principal Proceeds received after the Reinvestment Period may be reinvested by the Issuer or the Collateral Manager, on behalf of the Issuer, in Substitute Collateral Obligations meeting the Eligibility Criteria and Reinvestment Criteria. See "*The Portfolio – Management of the Portfolio - Sale of Issue Date Collateral Obligations*" and "*The Portfolio - Management of the Portfolio - Reinvestment of Collateral Obligations*".

Eligibility Criteria

In order to qualify as a Collateral Obligation, an obligation must satisfy certain specified Eligibility Criteria. Each obligation shall only be required to satisfy the Eligibility Criteria at the time the Issuer (or the Collateral Manager, acting on behalf of the Issuer) enters into a binding commitment to purchase such obligation save for an Issue Date Collateral Obligation which must also satisfy the Eligibility Criteria on the Issue Date. See "*The Portfolio - Eligibility Criteria*".

Restructured Obligations

In order for a Restructured Obligation to qualify as a Collateral Obligation for the purposes of the Coverage Tests, the Portfolio Profile Tests, the Collateral Quality Tests and the Reinvestment Overcollateralisation Test, such Collateral Obligation must satisfy the Restructured Obligation Criteria as at the applicable Restructuring Date. See "*The Portfolio - Restructured Obligations*".

Collateral Quality Tests

The Collateral Quality Tests will comprise the following:

For so long as any of the Rated Notes rated by Fitch are Outstanding:

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

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

For so long as any of the Rated Notes are rated by Moody's are Outstanding:

(a) the Moody's Minimum Diversity Test;

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

(c) the Moody's Minimum Weighted Average Recovery Rate Test.

For so long as any of the Rated Notes are Outstanding:

(a) the Minimum Weighted Average Floating Spread Test; and

(b) the Weighted Average Life Test.

Portfolio Profile Tests

In summary, the Portfolio Profile Tests will consist of each of the following (the percentage requirements applicable to different types of Collateral Obligations specified in the Portfolio Profile Tests and summarily displayed in the table below shall be determined by reference to the Collateral Principal Amount):

		Minimum	Maximum
(a)	Secured Senior Loans and Secured Senior Bonds in aggregate	90.0%	N/A
(b)	Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and/or High Yield Bonds in aggregate	N/A	10.0%
(c)	Collateral Obligations of a single Obligor (in the case of Collateral Obligations which are not Secured Senior Loans or Secured Senior Bonds)	N/A	1.5%
(d)	Collateral Obligations of a single Obligor (in the case of Secured Senior Loans or Secured Senior Bonds)	N/A	2.5% provided that up to two Obligors may each represent up to 3.0% subject to at least one of these two Obligors having a Fitch Rating of at least BB- or a Moody's Rating of at least Ba3 in each case at the time of purchase
(e)	Collateral Obligations of a single Obligor	N/A	3.0%
(f)	Non-Euro Obligations (provided a corresponding Currency Hedge Transaction is entered into)	N/A	30.0%
(g)	Participations	N/A	10.0% (excluding Issue Date Participation Interests)
(h)	Current Pay Obligations	N/A	5.0%
(i)	Unfunded Amounts/Funded Amounts under Revolving Obligations/Delayed Drawdown Collateral Obligations	N/A	5.0%
(j)	Caa Obligations	N/A	7.5%
(k)	CCC Obligations	N/A	7.5%
(l)	Bridge Loans	N/A	3.0%

(m)	Corporate Rescue Loans	N/A	5.0% provided that not more than 1.5% shall consist of Corporate Rescue Loans from a single Obligor
(n)	PIK Securities	N/A	5.0%
(o)	Cov-Lite Loans	N/A	20.0%
(p)	Fixed Rate Collateral Obligations	N/A	7.0%
(q)	Collateral Obligations paying interest less frequently than semi-annually	N/A	5.0%
(r)	Industry Classification	N/A	17.5% of the Collateral Principal Amount may consist of Collateral Obligations that are issued by obligors that belong to any single Fitch industry classification, except that three Fitch industry classifications may represent up to 40% in aggregate of the Collateral Principal Amount
(s)	Moody's Rating derived from an S&P rating	N/A	10.0%
(t)	Domicile of Obligors 1	N/A	10.0% Domiciled in Non-Emerging Market Countries with a Moody's local currency country risk ceiling of "A1" or below and no lower than "Baa3" unless Rating Agency Confirmation from Moody's is obtained, provided that not more than 5% shall be Domiciled in Non-Emerging Market Countries with a Moody's local currency risk ceiling between and including Baa1 and Baa3
(u)	Domicile of Obligors 2	N/A	10.0% Domiciled in Non-Emerging Market Countries with a Fitch country ceiling below "AAA" unless Rating Agency Confirmation from Fitch is obtained
(v)	Collateral Obligations of 10 largest Obligors	N/A	20.0%

(w)	Secured Senior Loans	70.0%	N/A
(x)	Obligor total indebtedness	N/A	not more than 5.0% of the Collateral Principal Amount shall consist of obligations from Obligors which each have total current indebtedness (comprised of all financial debt owing by the Obligor including the maximum available amount of total commitment under any revolving or delayed draw loans) under its respective loan agreements and other debt instruments (including the Underlying Instruments) of less than €175,000,000 (or its equivalent in any currency).

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

Coverage Tests

Each of the Par Value Tests and Interest Coverage Tests shall be satisfied on a Measurement Date in the case of (i) the Par Value Tests (other than the Class F Par Value Test), on and after the Effective Date; (ii) in the case of the Class F Par Value Test on and after the expiry of the Reinvestment Period; and (iii) the Interest Coverage Tests on and after the Determination Date immediately preceding the second Payment Date, if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Class	**Required Par Value**
A/B	130.43%
C	122.87%
D	115.54%
E	107.57%

F	104.63%

Class	Required Interest Coverage Ratio
A/B	120.0%
C	110.0%
D	105.0%
E	101.0%

Reinvestment Overcollateralisation Test

If, during the Reinvestment Period, the Class F Par Value Ratio is less than 104.63% on the relevant Measurement Date, Interest Proceeds shall be paid to the Principal Account for the acquisition of additional Collateral Obligations in an amount equal to the lesser of (1) 50.0% of all remaining Interest Proceeds available for payment pursuant to paragraph (W) 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 (A) through (W) inclusive of the Interest Proceeds Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met as of the relevant Measurement Date, such amounts to be applied during the Reinvestment Period to purchase additional Collateral Obligations.

Authorised Denominations

The Regulation S Securities of each Class will be issued in minimum denominations of €100,000 each and integral multiples of €1,000 in excess thereof.

The Rule 144A Securities of each Class will be issued in minimum denominations of €250,000 each and integral multiples of €1,000 in excess thereof.

Form, Registration and Transfer of the Securities

The Regulation S Notes of each Class 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 Securities*" 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 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 custodian for DTC. Beneficial interests in a Rule 144A Global Certificate may at any time

only be held through, and transfers thereof will only be effected through, records maintained by DTC.

The Rule 144A Global Certificates and Regulation S Global Certificates will bear a legend and such Rule 144A Global Certificates and Regulation S 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 Trustee and the Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions. Any transfer of a beneficial interest in a Regulation S Global Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate is also subject to certification requirements substantially in the form set out in the Trust Deed and each purchaser thereof shall be deemed to represent that such purchaser is a QIB/QP. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person or U.S. Resident. See "*Form of the Securities*" and "*Book Entry Clearance Procedures*".

Transfers of interests in the Securities are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Form of the Securities*", "*Book Entry Clearance Procedures*" and "*Transfer Restrictions*". Each purchaser of Securities 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 Securities in breach of certain of such representations and agreements will result in affected Securities becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*).

CM Voting Notes, CM Non-Voting Notes and CM Non-Voting Exchangeable Notes

The Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and the Class D Notes may, in each case, be in the form of CM Voting Notes, CM Non-Voting Exchangeable Notes or CM Non-Voting Notes.

CM Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of voting on, any CM Replacement Resolution and any CM Removal Resolution. CM Non-Voting Exchangeable Notes and CM 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 Holder into CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Non-Voting Exchangeable Notes shall be exchangeable (a) upon request by the relevant Holder at any time into CM Non-Voting Notes or (b) into 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 Non-Voting Exchangeable Notes.
Governing Law	The Securities, the Trust Deed, the Collateral Management Agreement, the Agency Agreement and all other Transaction Documents (save for the Issuer Management Agreement, the Letter of Undertaking (which are governed by the laws of The Netherlands) and the Euroclear Security Agreement (which is governed by the laws of Belgium) will be governed by English law.
Listing	Application has been made to the Irish Stock Exchange for the Securities to be admitted to the Official List and trading on its Global Exchange Market. There can be no assurance that such listing will be maintained.
Tax Status	See "*Tax Considerations*".
Certain ERISA Considerations	See "*Certain ERISA Considerations*".
Withholding Tax	No gross up of any payments will be payable to the Holders in respect of amounts deducted from or withheld for or on account of tax in relation to the Securities. See Condition 9 (*Taxation*).
Forced sale and withholding pursuant to FATCA	Under FATCA, the Issuer (or an Intermediary) may require each Holder to provide certifications identifying information about itself and certain of its owners. The Issuer (or an Intermediary) may force the sale of a Holder's Securities (other than the Retention Securities) in order to comply with FATCA, including Securities held by a Holder 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 non-U.S. financial institutions to comply with FATCA, may compel the Issuer (or an Intermediary) to withhold on payments to such Holders (and the Issuer will not pay any additional amounts with respect to such withholding). See Condition 2(j) (*Forced sale pursuant to FATCA*).
Additional Issuances	Subject to certain conditions being met (including, without limitation, the prior written approval of the Retention Holder), additional Securities of all existing Classes may be issued and sold. See Condition 17 (*Additional Issuances*).

Retention Holder and Retention Requirements	The Retention Securities will be subscribed for by the Collateral Manager in its capacity as Retention Holder on the Issue Date and, pursuant to the Risk Retention Letter, the Collateral Manager will undertake to retain the Retention Securities in its capacity as Retention Holder, with the intention of complying with the Retention Requirements. See "*Retention Holder and Retention Requirements*" and "*Risk Factors – Relating to the Securities – European Risk Retention and Due Diligence*". The Retention Holder intends to obtain financing for the acquisition of the Retention Securities from an Affiliate of the Initial Purchaser. See "*Retention Holder and Retention Requirements*" and "*Risk Factors – Retention Financing*".
Collateral Manager Securities	The Collateral Manager and/or its Affiliates may also subscribe for up to the entire Class of Participating Term Certificates issued by the Issuer on the Issue Date pursuant to the PTC Purchase Agreements. See "*Risk Factors – Relating to Certain Conflicts of Interest - The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its Affiliates*".

RISK FACTORS

An investment in the Securities of any Class involves certain risks, including risks relating to the Collateral securing such Securities and risks relating to the structure and rights of such Securities and the related arrangements. There can be no assurance that the Issuer will not incur losses on the Collateral Obligations or that investors in the Securities will receive a return of any or all of their investment. 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 Securities.

1 GENERAL RISKS

1.1 General

It is intended that the Issuer will invest in Collateral Obligations (and other financial assets) with certain risk characteristics as described below and subject to the investment policies, restrictions and guidelines described in "*The Portfolio*". There can be no assurance that the Issuer's investments will be successful, that its investment objectives will be achieved, that the Holders will receive the full amounts payable by the Issuer under the Securities or that they will receive any return on their investment in the Securities. 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 Securities. Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Securities, although the degree of risk associated with each Class of Securities will vary in accordance with the position of such Class of Securities in the Priorities of Payment. See Condition 3(c) (*Priorities of Payment*). In particular, subject to the Priorities of Payment, (i) payments in respect of the Class A Notes are generally higher in the Priorities of Payment than those of the other classes of Securities; (ii) payments in respect of the Class B Notes are generally higher in the Priorities of Payment than those of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates; (iii) payments in respect of the Class C Notes are generally higher in the Priorities of Payment than those of the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates; (iv) payments in respect of the Class D Notes are generally higher in the Priorities of Payment than those of the Class E Notes, the Class F Notes and the Participating Term Certificates; (v) payments in respect of the Class E Notes are generally higher in the Priorities of Payment than those of the Class F Notes and the Participating Term Certificates; and (vi) payments in respect of the Class F Notes are generally higher in the Priorities of Payment than those of the Participating Term Certificates. None of the Initial Purchaser, the Agents nor 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 nor to advise any investor or potential investor in the Securities of any information coming to the attention of the Initial Purchaser, the Agents or the Trustee which is not included in this Offering Circular or the Reports, as the case may be.

1.2 Suitability

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

1.3 Limited Resources of Funds to Pay Expenses of the Issuer

The funds available to the Issuer to pay its expenses on any Payment Date are limited as provided in the Priorities of Payment. In the event that such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and it may

not be able to defend or prosecute legal proceedings brought against it or which it might otherwise bring to protect its interests or be able to pay the expenses of legal proceedings against persons it has indemnified.

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

Legal, tax and regulatory changes could occur over the course of the life of the Securities 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 if market emergencies occur. The regulation of derivatives transactions and vehicles that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Issuer could be substantial and adverse.

1.5 Events in the CLO and Leveraged Finance Markets

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, 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 paragraph 1.6 (*Euro and Euro Zone Risk*) below, it is possible that countries that have adopted the Euro could return to a national currency. The effect on a national economy as a result of leaving the Euro is impossible to predict with any degree of certainty, 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.

Negative economic trends nationally as well as in specific geographic areas could result in an increase in loan defaults and delinquencies. Although levels of defaults and delinquencies have been decreasing from peak levels, there is a material possibility that economic activity will be volatile or will slow, and some obligors may be significantly and negatively impacted by negative economic trends. A continuing decreased ability of obligors to obtain refinancing (particularly as high levels of required refinancings approach) may result in an economic decline that could delay an economic recovery and cause a deterioration in loan performance generally and defaults of Collateral Obligations. It is impossible to determine with any degree of certainty whether such trends in the credit markets will continue, improve or worsen in the future.

There exist significant risks for the Issuer and investors as a result of the current economic conditions. These risks include, among others, (i) the likelihood that the Issuer will find it more difficult to sell any of its Collateral Obligations or to purchase new Collateral Obligations in the secondary market, (ii) the possibility that, on or after the Issue Date, the price at which Collateral Obligations can be sold by the Issuer will have deteriorated from their purchase price and (iii) the illiquidity of the Securities. These additional risks may affect the returns on the Securities to investors and/or the ability of investors to realise their investment in the Securities prior to their Maturity Date. In addition, in Europe 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 Collateral Obligations in the primary market, this is likely to increase the refinancing risk in respect of maturing Collateral Obligations. Although there have recently been signs that the primary market for certain financial products is recovering, particularly in the United States, the impact of the economic crisis on the primary market may adversely affect the flexibility of the Collateral Manager to invest and, ultimately, the returns on the Securities to investors.

Difficult macro-economic conditions may adversely affect the rating, performance and the realisation value of the Portfolio. 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 Portfolio 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 a Collateral Obligation or is a Hedge Counterparty, or a counterparty to a buy or sell trade that has not settled with respect to a Collateral Obligation. The bankruptcy or insolvency of another financial institution may result in the disruption of payments to the Issuer. In addition, the bankruptcy or insolvency of one or more additional financial institutions may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer, the Portfolio and the Securities.

It is very likely that one of the effects of the global credit crisis and the failure of financial institutions will be an introduction of a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitised instruments. Such additional rules and regulations could, among other things, adversely affect Holders as well as the flexibility of the Collateral Manager in managing and administering the Portfolio.

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

1.6 Euro and Euro Zone Risk

The on-going deterioration of the sovereign debt of several European 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, in particular in Cyprus, Greece, Ireland, Italy, Portugal and Spain, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Euro zone countries in financial difficulties that seek such support. In March 2011 the European Council agreed on the need for Euro zone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "**ESM**"), which was activated by mutual agreement, to assume the role of the EFSF and EFSM in providing external financial assistance to Euro zone countries from July 2013.

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

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

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

1.7 Flip Clauses

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

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

In the U.S. courts, the U.S. Bankruptcy Court for the Southern District of New York in *Lehman Brothers Special Financing Inc. v. BNY Corporate Trustee Services Limited.* (In re Lehman Brothers Holdings Inc.), Adv. Pro. No. 09-1242-JMP (Bankr. S.D.N.Y. May 20, 2009) examined a flip clause and held that such a provision, which seeks to modify one creditor's position in a priority of payments when that creditor files for bankruptcy, is unenforceable under the United States Bankruptcy Code. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". While BNY Corporate Trustee Services Ltd filed a motion for and was granted leave to appeal with the U.S. Bankruptcy Court, the case was settled before the appeal was heard. In 2012, a new suit was filed in the U.S. Bankruptcy Court by claimants in the Belmont case asking, among other things, for the U.S. Bankruptcy Court to recognise and enforce the decision of the English Supreme Court and to declare that flip clauses are enforceable under U.S. insolvency law notwithstanding that court's earlier decision. Plaintiffs in that suit have also filed a companion motion alleging that the issues in their complaint are tangential to the bankruptcy before the U.S. Bankruptcy Court and that, therefore, the suit should be removed to a U.S. district court. The bankruptcy proceeding was closed by the U.S. Bankruptcy Court in June 2013 and there has been no further action on the district court proceeding since October 2013. Given the current state of U.S. insolvency law and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

The flip clause examined in the Belmont case is similar in substance to the relevant provisions in the Priorities of Payment, however the context and manner of subordination which may be applied to a Hedge Counterparty in accordance with such provisions will not be identical; and the judgments in Belmont and subsequent litigation in which the same rule has been applied have noted that English law questions relating to the "anti-deprivation" principle will be determined on

the basis of the particular terms at hand and their commercial context. As such, it is not necessarily settled that the particular flip clauses contained in the Priorities of Payment would be enforceable as a matter of English law, in the case of insolvency of a Hedge Counterparty.

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

1.8 LIBOR and EURIBOR Reform

The London Inter-Bank Offered Rate ("**LIBOR**") is currently being reformed, including (i) as of 1 February 2014, the replacement of the BBA with the IBA as LIBOR administrator, (ii) a reduction in the number of currencies and tenors for which LIBOR is calculated, and (iii) changes in the way that LIBOR is calculated, by compelling more banks to provide LIBOR submissions and basing these submissions on actual transaction data. Investors should be aware that:

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

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

(iii) there may be a mismatch between the replacement rate of interest applicable to the affected Collateral Obligation and the replacement rate of interest the Issuer must pay to the Hedge Counterparty under any applicable Hedge Agreement. This could lead to the Issuer receiving amounts from affected Collateral Obligations which are insufficient to make the due payment under a Hedge Agreement, and potential termination of such Hedge Agreement; and

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

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

The Euro Interbank Offered Rate ("**EURIBOR**") and other so-called "benchmarks" are the subject of proposals for reform by a number of international authorities and other bodies. In September 2013, the European Commission published a proposed regulation (the "**Proposed Benchmark Regulation**") on indices used as benchmarks in financial instruments and financial contracts.

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

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

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

(iii) if the EURIBOR benchmarks referenced in Condition 6 (*Interest*) is discontinued, interest on the Rated Notes (other than the Class B-2 Notes) will be calculated under Condition 6(e) (*Interest on the Rated Notes*);

(iv) the administrator of EURIBOR will not have any involvement in the Collateral Obligations or the Securities and may take any actions in respect of EURIBOR without regard to the effect of such actions on the Collateral Obligations or the Securities; and

(v) any of the above or any other significant changes to EURIBOR or any other benchmark could have a material adverse effect on the value of, and the amount payable under (i) any Collateral Obligations which pay interest linked to a EURIBOR rate or other benchmark (as applicable), and (ii) the Rated Notes (other than the Class B-2 Notes).

1.9 Anti-Money Laundering, Anti-Terrorism, 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 "**Requirements**"). Any of the Issuer, the Initial Purchaser, the Collateral Manager or the Trustee could be requested or required to obtain certain assurances from prospective investors intending to purchase Securities and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is expected that the Issuer, the Initial Purchaser, the Collateral Manager and the Trustee will comply with Requirements to which they are or may become subject and to interpret such Requirements broadly in favour of disclosure. Failure to honour any request by the Issuer, the Initial Purchaser, the Collateral Manager 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 or the Trustee to comply with any 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 Securities. In addition, it is expected that each of the Issuer, the Initial Purchaser, the Collateral Manager and the Trustee intends to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith.

1.10 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 Payment.

The Issuer is a recently incorporated entity and has no prior operating history or track record. Accordingly, the Issuer has no performance history for investors to consider in making their decision to invest in the Securities.

The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator, the Collateral Manager and the Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited to amounts available to make such payments in accordance with the Priorities of Payment. If such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer, the Trustee, the Collateral Administrator, the Agents, the Administrator and/or the Collateral Manager may not be able to defend or prosecute legal proceedings that may be brought against them or that they might otherwise bring to protect the interests of the Issuer. In addition, service providers who are not paid in full, including the managing directors of the Issuer, have the right to resign. This could ultimately lead to the Issuer being in default under applicable laws of The Netherlands and potentially being removed from the register of companies and dissolved.

2 REGULATORY INITIATIVES

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the banks, financial institutions and the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Securities are responsible for analysing their own regulatory position and none of the Issuer, the Initial Purchaser, the Retention Holder, the Collateral Manager, the Agents, the Trustee nor any of their Affiliates makes any representation to any prospective investor or purchaser of the Securities regarding the regulatory capital treatment of their investment in the Securities on the Issue Date or at any time in the future.

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

2.1 Basel III

In particular, investors should note that 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 (e.g. the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (e.g. as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements are coming for insurance and reinsurance undertakings through national initiatives, such as the Solvency II framework in Europe.

2.2 European Risk Retention and Due Diligence

Investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings and UCITS funds. Such requirements as they apply to credit institutions and investment firms (pursuant to the CRR Retention Requirements) and authorised alternative investment fund managers (pursuant to the AIFMD Retention

Requirements) are currently in force. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its investment position, the underlying assets and (in the case of certain types of investors) the relevant sponsor, original lender or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5.0 per cent. in respect of certain specified credit risk tranches or asset exposures. 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 penal 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 national regulators remain unclear. Similarly, investors should be aware of Article 35 of Solvency II which will require the imposition of similar requirements on insurers and reinsurers authorised in the EU.

Investors should note that the EBA published a report on 22 December 2014 (the "**EBA Report**"). The EBA made a number of recommendations in the EBA Report. Following the publication of the EBA Report, on 30 September 2015, the European Commission published a proposal for a new regulation (the "**STS Regulation**") which would, among other things, re-cast the EU risk retention rules as part of wider changes to establish a 'Capital Markets Union' in Europe (including, but not limited to, the imposition of a direct retention obligation as well as transparency and due diligence requirements on eligible risk retainers). At this time, the STS Regulation is in draft form and is subject to negotiation with and subsequent adoption by the European Council of Ministers and the European Parliament. It is therefore uncertain at this time as to whether the STS Regulation will be adopted in its current form.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Securities. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Securities. With respect to the commitment of the Collateral Manager in its capacity as Retention Holder to retain a material net economic interest in the securitisation, please see the statements set out in the section "*The Retention Holder and Retention Requirements*". Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Initial Purchaser, the Collateral Manager, the Trustee nor any of their Affiliates makes any representation that the information described above is sufficient in all circumstances for such purposes.

The EU risk retention and due diligence requirements described above and any other changes to the regulation or the regulatory capital treatment of the Securities 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 Securities in the secondary market.

With respect to the fulfilment by the Collateral Manager of the requirements of the Retention Requirements, please refer to the section "*Risk Factors - Regulatory Initiatives - Retention Financing*", "*Risk Factors - Conflicts of Interest – The Issuer will be subject to various conflicts of interest involving the Initial Purchaser*" and entitled "*Description of the Collateral Management Agreement*" below.

2.3 Retention Financing

The Collateral Manager, in its capacity as Retention Holder, intends to enter into financing arrangements in respect of the Retention Securities that it is required to acquire in order to comply with the Retention Requirements and will grant security in connection with such financing over the Retention Securities. It is expected that any such financing would be provided by an Affiliate

of the Initial Purchaser. None of the Initial Purchaser, the Collateral Manager, the Collateral Administrator, the Issuer, the Trustee or their respective Affiliates makes any representation, warranty or guarantee that such financing arrangements will comply with the Retention Requirements. In particular, should the Retention Holder default in the performance of its obligations under such financing arrangements, the lender thereunder would have the right to enforce the security granted by the Retention Holder, including effecting the sale of some or all of the Retention Securities. In carrying out such sales, the lender would not be required to have regard to the Retention Requirements and any such sale may therefore cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements. See "*The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its Affiliates*".

The term of any retention financing may also be considerably shorter than the effective term of the Securities, requiring the Retention Holder to repay or refinance the retention financing whilst some or all Classes of Securities are Outstanding. If refinancing opportunities were limited at such time and the Retention Holder were unable to repay the retention financing from other sources, the Retention Holder could be forced to sell some or all of the Retention Securities in order to obtain funds to repay the retention financing without regard to the Retention Requirements and such sales may therefore cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements.

2.4 U.S. Legal Investment Considerations and Retention Requirements

On 21 and 22 October 2014, six U.S. federal agencies (including the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Department of Housing and Urban Development, and the Federal Housing Finance Agency) adopted joint final regulations requiring risk retention by securitisers, including with respect to collateralised loan obligations ("**CLOs**") ("**U.S. Risk Retention Regulations**"), which will become effective on the second anniversary of publication of the U.S. Risk Retention Regulations in the U.S. Federal Register. Except with respect to asset-backed securities transactions that satisfy certain exemptions, the U.S. Risk Retention Regulations generally require securitisers of asset-backed securities to retain not less than 5.0 per cent. of the credit risk of the assets collateralising such asset-backed securities. The U.S. Risk Retention Regulations are currently not applicable to CLOs issued prior to 21 October 2016. The Issuer, however, is unable to predict what impact the U.S. Risk Retention Regulations will have on CLO managers, CLO investors and the CLO market in general. Notwithstanding that the U.S. Risk Retention Regulations are not applicable to the Issuer on the Issue Date, a negative impact on secondary market liquidity for the Securities may be experienced immediately due to the effect of the U.S. Risk Retention Regulations on market expectations, the relative appeal of alternative investments not subject to the U.S. Risk Retention Regulations or other factors. In addition, it is possible that the U.S. Risk Retention Regulations may reduce the number of collateral managers active in the CLO market, which may result in fewer new issue CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally. A contraction or reduced liquidity in the loan market could reduce opportunities for the Collateral Manager to sell Collateral Obligations or to invest in Collateral Obligations when it believes it is in the interest of the Issuer to do so, which in turn could negatively impact the return on the Collateral and reduce the market value or liquidity of the Securities. In addition, it is uncertain whether a refinancing, additional issuance of Securities or re-pricing by the Issuer after the effective date of the U.S. Risk Retention Regulations would be considered a new transaction that would be subject to the U.S. Risk Retention Regulations. As a result the ability of the Issuer to effect any such refinancing, additional issuance of Securities or re-pricing may be impaired or limited. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Regulations will have any material adverse effect on the business, financial condition or prospects of the Collateral Manager.

2.5 European Market Infrastructure Regulation EU 648/2012 ("EMIR")

EMIR and the regulations made under it impose certain obligations on parties to OTC derivative contracts according to whether they are "financial counterparties", such as European investment firms, alternative investment funds (in respect of which, see "Alternative Investment Fund Managers Directive" below), credit institutions and insurance companies, or other entities which are "non-financial counterparties" or third country entities equivalent to "financial counterparties" or "non-financial counterparties".

Financial counterparties (as defined in EMIR) will, depending on the identity of their counterparty, be subject to a general obligation (the "**clearing obligation**") to clear all "eligible" OTC derivative contracts through a duly authorised or recognised central counterparty. They must also report the details of all derivative contracts to a trade repository (the "**reporting obligation**") and in general undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty, including complying with requirements related to timely confirmation of terms, portfolio reconciliation, dispute resolution, daily valuation and margin collection (together, the "**risk mitigation obligations**").

Non-financial counterparties (as defined in EMIR) are not subject to the clearing obligation unless the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial entities in its "group" (as defined in EMIR), excluding eligible hedging transactions, exceed certain thresholds and its counterparty is also subject to the clearing obligation. If the Issuer is considered to be a member of such a "group" (which may, for example, potentially be the case if the Issuer is consolidated by a Holder as a result of such Holder's holding of a significant proportion of the Participating Term Certificates) and if the aggregate notional value of OTC derivative contracts entered into by the Issuer and any non-financial entities within such group exceeds the applicable threshold, 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 collection requirement (in each case, as and when such requirements become applicable for that particular counterparty pair).

The clearing obligation does not yet apply but will gradually be phased in for certain types of interest rate OTC derivative contracts (denominated in pounds sterling, Euro, USD and Japanese Yen) over the next three years dependent on the categorisation of a counterparties to an OTC derivative contract. In addition, ESMA's final version of regulatory technical standards implementing the clearing obligation for certain additional classes of interest rate OTC derivatives (denominated in Norwegian Krone, Polish Zloty and Swedish Krona) was published on 10 November 2015 and has been submitted to the European Commission for endorsement (the "**Additional Currencies RTS**"). The Additional Currencies RTS is still subject to a legislative approval process and as such, it is not certain when the Additional Currencies RTS will become effective or whether it will be amended. Key details as to how the clearing obligation may apply to other classes of OTC derivatives remain to be clarified via corresponding technical standards.

The clearing obligation may, in certain circumstances, also apply to swap arrangements entered into prior to the relevant future effective date, although the European delegated regulation relating to the clearing obligation contemplates that this will not be the case for swap contracts entered into by non-financial counterparties which are not AIFs (as defined under "*Alternative Investment Fund Managers Directive*" below).

The margin collection requirements do not yet apply, although it is likely that they will be phased in from 1 September 2016. As such, the exact timing for their implementation and whether such requirements will affect entities such as the Issuer is currently uncertain. Regulatory technical standards have been published in draft form only and are yet to be finalised. The margin collection requirements are expected to apply in respect of new swap arrangements entered into from the relevant future effective dates.

Whilst the Hedge Transactions are expected to be treated as hedging transactions and deducted from the total in assessing the notional value of OTC derivative contracts entered by the Issuer and/or non-financial entities within its "group" (as defined in EMIR), there is currently no certainty as to whether the relevant regulators will share this view.

Therefore, if the Issuer becomes subject to the clearing obligation or the margin collection requirements, it is unlikely that it would be able to comply with such requirements, which would adversely affect the Issuer's ability to enter into Hedge Transactions or significantly increase the cost thereof, negatively affecting the Issuer's ability to acquire Non-Euro Obligations and/or hedge its interest rate risk. As a result of such increased costs, additional regulatory requirements and limitations on ability of the Issuer to hedge interest rate and currency risk, the amounts payable to Holders may be negatively affected.

The Hedge Agreements may 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 such an 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 of the Securities permit the Issuer and oblige the Trustee, without the consent of any of the Holders, to concur in the making of modifications to the Transaction Documents and/or the Conditions of the Securities which the Issuer certifies are required solely to comply with the requirements of EMIR which may become applicable in the future.

2.6 Alternative Investment Fund Managers Directive ("AIFMD")

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.

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 Holders. 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.

If considered to be an AIF, the Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing obligations and/or other risk mitigation techniques (including margin posting requirements) with respect to Hedge Transactions entered into after the relevant future effective dates. See also "*European Market Infrastructure Regulation EU 648/2012 (EMIR)*" above.

The Collateral Manager is not authorised under the AIFMD but is authorised under the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) ("**MiFID**"). As the Collateral Manager is not permitted to be authorised under the AIFMD and also to conduct certain regulated activities under MiFID, it will not be able to apply for an authorisation under the AIFMD unless it gives up its authorisation under MiFID, in which case it may not be able to satisfy the Retention Requirements. See also "*European Risk Retention and Due Diligence*" above.

2.7 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 will ultimately 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. Other implementing regulations may yet be proposed. It is therefore difficult to predict the extent to which and manner whereby 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 fully 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) include 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, among others.

In addition, newly promulgated rules regarding risk retention by sponsors of asset-backed securities could potentially limit the ability of the Issuer to issue additional Securities or undertake a Refinancing or replace the Collateral Manager. 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 these risks are material and that the Issuer and, consequently, an investment in the Securities, 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 Securities.

2.8 Commodity Pool Regulation

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". 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. Commodity pool operators ("**CPOs**") must register with the Commodity Futures Trading Commission ("**CFTC**") absent an exemption. Based on no-action relief issued by a division of the CFTC in 2012, securitisation vehicles (including CLOs) satisfying the criteria set forth in such no-action relief are excluded from the definition of "commodity pool" and therefore identification of a CPO is not necessary. However, 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 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", the entity or entities identified as CPOs of the Issuer would be required to register as such with the CFTC and become a member of the National Futures Association (the "**NFA**") by the initial offering date of the Securities. Currently there is no definitive guidance as to which entity or entities would be regarded as the Issuer's CPO 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 by a CPO with respect to the Issuer. Registered CPOs must 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. Such costs and expenses would be passed on to the Issuer and may affect the amounts available to pay Holders.

Furthermore, even if an exemption from CPO registration were available, any swap trading 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 preventing the Issuer from entering into replacement Hedge Transactions with respect to any Non-Euro Obligations it has purchased. 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 further "*Interest Rate Risk*" and "*Currency Risk*" below).

In light of the foregoing, the Collateral Manager will not permit the Issuer to enter into a Hedge Agreement or a Hedge Transaction until such time as it shall have received legal advice from reputable legal counsel to the effect that the entry into such arrangements should not require any of the Issuer, its directors or officers or the Collateral Manager or its directors, officers or employees to register with the CFTC as a CPO pursuant to the United States Commodity Exchange Act of 1936, as amended.

2.9 Volcker Rule

Under the Volcker Rule relevant banking entities are generally prohibited from, among other things, acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to as covered funds. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Full conformance with the Volcker Rule was required by 21 July 2015, and the activities and investments of all banking entities (and their affiliates) subject to the Volcker Rule must comply with the requirements of the Volcker Rule. In general, there is limited interpretive guidance regarding the Volcker Rule.

Key terms are widely defined under the Volcker Rule, including "banking entity", "ownership interest", "sponsor" and "covered fund". In particular, "banking entity" is defined to include certain non-U.S. affiliates of U.S. banking entities, "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, but for section 3(c)(1) or 3(c)(7), which would extend to the Issuer given its intention to rely on section 3(c)(7) and "ownership interest" is defined to include, among other things, interests arising through a holder's exposure to profits and losses in the covered fund or through any right of the holder to participate in the selection of an investment manager or advisor or the board of directors of such covered fund. The Participating Term Certificates are likely to be characterised as ownership interests in the Issuer for this purpose and it is uncertain 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 Holders to participate in the removal of, and/or selection of a replacement for, the Collateral Manager in and of itself will be construed as indicative of an ownership interest by the Holders of the relevant Class.

The Transaction Documents provide that the right of holders of the Securities 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 any Class A Notes, Class B Notes, Class C Notes or Class D Notes in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes are disenfranchised in respect of any CM Removal Resolution or CM Replacement Resolution. However, there can be no assurance that these features will be effective in resulting in such 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.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Securities and, in addition, may have a negative impact on the price and liquidity of the Securities in the secondary market. 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 Securities. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Securities 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. None of the Issuer, the Collateral Manager or the Initial Purchaser makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Securities, now or at any time in the future.

2.10 Other CFTC Regulations

Pursuant to the Dodd-Frank Act, the Commodity Futures Trading Commission ("**CFTC**") has promulgated a range of new regulatory requirements (the "**CFTC Regulations**") that may affect the pricing, terms and compliance costs associated with the entry into 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 by law with respect to uncleared swaps, (iii) recordkeeping obligations, (iv) reporting obligations and other matters. These new requirements may significantly increase the cost to the Issuer of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Obligations, have unforeseen legal consequences on the Issuer or have other material adverse effects on the Issuer or the Holders.

3 RELATING TO TAXATION

3.1 Foreign Account Tax Compliance Act Withholding

Under FATCA, the Issuer may be subject to a 30.0 per cent. withholding tax on certain income, and on the gross proceeds from the sale, maturity, or other disposition of certain of its assets. Under an intergovernmental agreement entered into between the United States and the Netherlands, the Issuer will not be subject to withholding under FATCA if it complies with Dutch administrative guidance that requires the Issuer to provide the name, address, and taxpayer identification number of, and certain other information (including its direct or indirect owners or beneficial owners) with respect to, certain Holders to the Dutch Tax and Customs Administration, which would then provide this information to the U.S. Internal Revenue Service (the "**IRS**"). There can be no assurance that the Issuer will be able to comply with this administrative guidance.

If a Holder fails to provide the Issuer or its agents with any correct, complete and accurate information that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer, or if the Holder's ownership of any Securities would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Holder, to compel the Holder to sell its Securities, and, if the Holder does not sell its Securities within 30 business days after notice from the Issuer, to sell the Holder's Securities on behalf of the Holder. Similarly, a beneficial owner of Securities that holds its Securities through an intermediary may be subject to withholding tax on distributions on the Securities or forced sale of its interest in the Securities if it fails to provide certifications and certain other information (including its direct or indirect owners or beneficial owners) about itself required under FATCA.

3.2 Tax Treatment of U.S. holders of Class E Notes or Class F Notes if recharacterised as equity

The U.S. federal income tax treatment of the Class E Notes and Class F Notes is not entirely clear. The Issuer intends to treat the Rated Notes (including the Class E Notes and Class F Notes) as debt for U.S. federal income tax purposes. Holders of the Rated Notes will be required to treat such Rated Notes as debt for U.S. federal income tax purposes. If the Class E Notes and Class F Notes (or any other Class of Rated Notes) were recharacterised by the IRS or by the courts as equity for U.S. federal income tax purposes, a U.S. holder generally would be treated as a U.S. holder of equity in a passive foreign investment company ("**PFIC**") who did not make a qualified electing fund election and would be subject to the same treatment as a U.S. holder of Participating Term Certificates that did not make a qualified electing fund election. See "*Tax Considerations – United States Federal Income Taxation – U.S. Tax Treatment of U.S. holders of the Participating Term Certificates.*"

Potential U.S. investors in the Class E Notes and Class F Notes should consult with their own tax advisors about the potential recharacterisation of the Class E Notes and Class F Notes, the consequences of the Issuer's PFIC status, the Issuer's potential status as a controlled foreign corporation and the tax consequences thereof.

3.3 Changes in tax law; no gross up

The Eligibility Criteria require that at the time of entering into a binding commitment to acquire Collateral Obligations by the Issuer, payments on those Collateral Obligations either will not be reduced by any withholding tax imposed by any jurisdiction (other than U.S. withholding tax on fees) (or subject to direct assessment by reference to the source of the payments or situs of the Collateral Obligations) or, if and to the extent that any such withholding tax does apply, the relevant Obligor will be obliged either (i) to make gross up payments to the Issuer or to indemnify the Issuer to cover the full amount of such withholding tax on an after-tax basis; or (ii) to eliminate such withholding by the application of an applicable double tax treaty or otherwise. However, there can be no assurance that, whether as a result of any change in any applicable law,

rule or regulation or interpretation thereof or otherwise, the payments on or in respect of the Collateral Obligations will not be or become subject to tax by direct assessment, withholding tax or increased withholding rates 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 the Netherlands and the jurisdiction from which the relevant payment is made, (b) the current applicable law in the jurisdiction of the relevant Obligor or (c) the fact that the Issuer has taken a Participation in such Collateral Obligations from a Selling Institution which is able to pay interest payable under such Participation gross. In the event that the Issuer receives any payments on any Collateral Obligation net of any applicable withholding tax or tax by direct assessment, 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 Securities. There can be no assurance that remaining payments on the Collateral Obligations would be sufficient to make timely payments of interest, principal on the Maturity Date and other amounts payable in respect of the Rated Notes of each Class. The occurrence of any withholding tax or tax by direct assessment imposed by any jurisdiction owing to a change in law may result in the occurrence of a Collateral Tax Event pursuant to which the Rated Notes may be subject to early redemption in the manner described in Condition 7(b) (*Optional Redemption*).

3.4 Withholding tax on the Securities

Although no withholding tax is currently imposed on payments of interest or principal on the Securities, 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. The Issuer is not required to make any "gross up" payments in respect of any withholding tax applied in respect of the Securities. 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 Securities that fails to comply with FATCA or its requests for Holder FATCA Information.

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

3.5 UK Taxation of Issuer

The Issuer will be subject to UK corporation tax if and only if it is (i) tax resident in the UK or (ii) carries on a trade in the UK through a permanent establishment.

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

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

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 if the exemption in Article 5(6) of the UK-Netherlands tax treaty applies. This exemption will apply if the Collateral Manager is regarded as an agent of independent status acting in the ordinary course of its business for the purpose of the UK-Netherlands tax treaty. It should be noted that the specific domestic UK tax exemption for profits generated in the UK by an investment manager on behalf of its non-resident clients (section 1146 of the Corporation Tax Act 2010) may not be available in the context of this transaction if the Collateral Manager (or certain connected entities) has a beneficial entitlement to more than 20.0 per cent. of the Issuer's chargeable profit arising from the transactions carried out through the Collateral Manager. However, the inapplicability of this domestic exemption should not have any effect on the UK corporation tax position of the Issuer if the exemption in Article 5(6) of the UK-Netherlands tax treaty, as referred to above, applies.

Should the Collateral Manager (subject to certain exceptions) be assessed to UK tax on behalf of the Issuer, it may in certain circumstances 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 as specified in the relevant Priorities of Payment on any Payment Date. It should be noted that UK tax legislation makes it possible for H.M. Revenue & Customs to seek to assess the Issuer to UK tax directly rather than through the Collateral Manager as its UK representative. Should the Issuer be assessed on this basis, the Issuer will be liable to pay UK tax on its UK taxable profit attributable to its UK activities (such payment to be made in accordance with the relevant Priorities of Payment). The Issuer would also be liable to pay UK tax on its UK taxable profits in the unlikely event that it were treated as being tax resident in the UK (such payment to be made in accordance with the relevant Priorities of Payment). If UK tax is imposed on the net income or profits of the Issuer, this may trigger a Note Tax Event and result in an optional redemption of the Securities in accordance with Condition 7(g) (*Redemption following Note Tax Event*).

3.6 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 25.0 per cent. on any "taxable diverted profits". The tax may apply in circumstances including where arrangements are designed to ensure that a non-UK resident company does not carry on a trade in the United Kingdom for corporation tax purposes through a permanent establishment or where arrangements involve entities or transactions lacking economic substance. While it is not expected that the diverted profits tax would apply to the Issuer, this is a new tax and its scope and the basis upon which it will be applied by HM 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.

3.7 Possible tax effect of amendments

The Issuer may, for certain specified purposes, enter into amendments to the Trust Deed and the Conditions, some of which may be entered into without the consent of any Holders and without requiring the Issuer to specifically consider the United States federal income tax consequences of such amendments. Thus, there is no specific requirement that such amendments will not (x) cause the Issuer to be treated as engaged in a United States trade or business, (y) adversely affect the characterisation of the Securities (as debt or equity) for United States federal income tax purposes or (z) cause the Securities to be treated as exchanged for other securities, in a transaction in which gain or loss is recognised.

3.8 United States federal income tax treatment of the Issuer

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 determined to be engaged in a trade or business within the United States, its income that is effectively connected with such U.S. trade or business would be subject to U.S. federal income tax at the regular corporate rate, and possibly to a branch profits tax of 30.0 per cent. as well. The imposition of such taxes would materially impair the Issuer's financial ability to make payments and distributions on the Securities. See "*Tax Considerations – United States Federal Income Taxation – U.S. Taxation of the Issuer.*"

3.9 The Issuer is expected to be treated as a passive foreign investment company

The Issuer is expected to be a passive foreign investment company for U.S. federal income tax purposes, which means that a U.S. holder of Participating Term Certificates (and any Class of Rated Notes treated as equity for U.S. federal income tax purposes) may be subject to adverse tax consequences unless such Holder elects to treat the Issuer as a qualified electing fund and to recognise currently its proportionate share of the Issuer's income whether or not distributed to such U.S. holder. In addition, depending on the overall ownership of interests in the Issuer, a U.S. holder of 10.0 per cent. or more of the Participating Term Certificates may be treated as a U.S. shareholder in a controlled foreign corporation and required to recognise currently its proportionate share of the "subpart F income" of the Issuer, whether or not distributed to such U.S. holder. A U.S. holder that makes a qualified electing fund election, or that is required to include subpart F income in the event that the Issuer is treated as a controlled foreign corporation, may recognise income in amounts significantly greater than the payments received from the Issuer. Taxable income may exceed cash payments when, for example, the Issuer uses earnings to repay principal on the Rated Notes or accrues income on the Collateral Obligations prior to the receipt of cash or the Issuer discharges its debt at a discount. A U.S. holder that makes a qualified electing fund election or that is required to recognise currently its proportionate share of the subpart F income of the Issuer will be required to include in the current income its *pro rata* share of such earnings, income or amounts whether or not the Issuer actually makes any payments to such Holder. The Issuer intends to cause its independent accountants to supply U.S. holders of the Participating Term Certificates (and any Class of Rated Notes treated as equity for U.S. federal income tax purposes) at such Holder's request and at the Issuer's expense with the information reasonably available to the Issuer that a U.S. holder reasonably requests to satisfy filing requirements under the qualified electing fund election or the controlled foreign corporation rules.

3.10 EU Financial Transaction Tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's proposal**") for a financial transaction tax ("**FTT**") to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's proposal was 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 (including concluding swap transactions and/or purchases or sales of securities (such as authorised investments)) if it is adopted based on the Commission's proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Securities and may result in investors receiving less interest or principal than expected. Neither the Issuer, the Principal Paying Agent nor any other person would, pursuant to the Conditions of the Securities, be required to pay additional amounts as a result of 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 Securities (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 exempt.

Joint statements issued by participating member states have indicated an intention to implement the FTT by 1 January 2016. However, the FTT proposal remains subject to negotiation between the participating member states and the scope of any such tax is uncertain. Additional EU member states may decide to participate. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

3.11 Withholding under the EU Directive on the Taxation of Savings Income

Under Council Directive 2003/48/EC (as amended) on the taxation of savings income (the "**Savings Directive**"), member states of the European Union have been required to provide to the tax authorities of other member states details of certain payments of interest or similar income paid or secured by a person established in a member state to or for the benefit of an individual resident in another member state or certain limited types of entities established in another member state.

For a transitional period, Austria has been required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period has been dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

On 10 November 2015, the Council of the European Union adopted a Council Directive repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

If a payment were to be made or collected through a member state of the European Union which operates a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a paying agent in an EU member state that is not obliged to withhold or deduct tax pursuant to, the EU Savings Directive, or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any other law implementing or complying with, or introduced in order to conform to, the Savings Directive or any arrangement entered into between the EU member states and certain third countries and territories in connection with such Directive.

3.12 Action Plan on Base Erosion and Profit Shifting

In July 2013 the Organisation for Economic Co-operation and Development ("**OECD**") published an Action Plan as part of its Base Erosion and Profit Shifting project ("**BEPS**"), which proposed fifteen actions intended to counter international tax base erosion and profit shifting. The focus of one of the action points ("**Action 6**") is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. The definition of "permanent establishment" and the scope of the exemption for an "agent of independent status" have also been considered under action point 7 ("**Action 7**"). Other action points may affect the tax position of the Issuer.

On 5 October 2015 the OECD released its final recommendations, including in respect of Action 6 and Action 7, which G20 finance ministers then endorsed during a meeting on 8th October 2015 in Lima, Peru (the "**Final Report**"). The Final Report was endorsed by G20 Leaders during their annual summit on 15-16 November in Antalya, Turkey.

Action 6

Action 6 is intended to prevent the granting of treaty benefits in inappropriate circumstances. As noted above, whether the Issuer will be subject to United Kingdom corporation tax may depend on whether it can benefit from Article 5 of the UK-Netherlands double tax treaty. Further, it is expected that the Issuer will rely on the interest and other articles of treaties entered into by the Netherlands to be able to receive payments from some Obligors free from withholding taxes that might otherwise apply. The final recommendation of the OECD for Action 6 is that treaties should include one or both of a "limitation of benefits" rule and a "principal purpose test". If a person were not to satisfy either a "limitation of benefits" rule or a "principal purpose test" in a treaty then it could be denied the benefits of the treaty.

The final form of a "limitation of benefits" rule is not yet certain. It is subject to further review pending finalisation of a revised "limitation of benefits" rule proposed by the United States for its own treaties. The recommended "principal purpose test" would deny a treaty benefit where it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is unclear how a "principal purpose test", if adopted, would be applied by the tax authorities of those jurisdictions from which payments are made to the Issuer. Further, the OECD has noted that further work needs to be undertaken during the first part of 2016 in relation to the treaty entitlement of funds, that are not collective investment vehicles. This work may be relevant to the treaty entitlement of the Issuer.

If the Issuer were to be denied the benefits of the UK-Netherlands treaty and it were trading as opposed to carrying on investment activities, then the Issuer could be treated as having a taxable permanent establishment in the United Kingdom. If United Kingdom tax were imposed on the net income or profits of the Issuer, the amount of tax due would be likely to be significant on the basis that some or all of the interest which it pays on the Securities may not be deductible. Profits from dealings in the Collateral Obligations could also become taxable. As a separate matter if the Issuer were to be denied the benefit of a treaty entered into by The Netherlands and as a consequence payments were made to the Issuer subject to withholding taxes, and the Obligors do not make "gross-up" payments that cover the full amount of any such withholding taxes, the amounts available to make payments on, or distributions to, the Holders would accordingly be reduced.

Action 7

Action 7 is intended to prevent the artificial avoidance of permanent establishment status. As noted above, whether the Issuer will be subject to UK corporation tax may depend on whether the Collateral Manager is regarded as an agent of independent status for the purpose of Article 5 of the UK-Netherlands double tax treaty. The final recommendation for Action 7 would exclude the Collateral Manager from the definition of an independent agent if it acts exclusively, or almost exclusively, on behalf of enterprises which, based on all the relevant facts and circumstances, it "controls". The draft OECD commentary published as part of the final recommendation gives the following as an example of what is meant by control: "where a person or enterprise controls an enterprise by virtue of a special arrangement that allows that person to exercise rights that are similar to those that it would hold if it possessed directly or indirectly more than 50 per cent of the beneficial interests in the enterprise". However, it is not clear in what other circumstances "control" might exist.

If the Issuer carries on investment activities as opposed to a trade, the final recommendations for Action 7 are not expected to affect the Issuer. However, if the Issuer were to be trading, and the UK-Netherlands double tax treaty were amended to incorporate the final recommendations of the OECD in relation to Action 7, then the Issuer could be treated as having a taxable permanent establishment in the United Kingdom if it is "controlled" by the Collateral Manager, and the Collateral Manager acts exclusively or almost exclusively for enterprises that it "controls". If United Kingdom tax were imposed on the net income or profits of the Issuer, the amount of tax due would likely be significant on the basis that some or all of the interest which it pays on the Securities may not be deductible. Profits from dealings in the Collateral Obligations could also become taxable.

Implementation of the final recommendations

In February 2015, the OECD approved a mandate (endorsed by the G20 Finance Ministers and Central Bank Governors) to develop a multilateral instrument which will implement some or all of those final recommendations that relate to double tax treaties, including those relating to Actions 6 and 7, by 31 December 2016. The multilateral instrument is being developed by an ad hoc Group of countries including the United Kingdom. Nevertheless, it is not yet certain which countries will sign this multilateral instrument, nor whether and to what extent the final recommendations of the OECD will be implemented.

4 RELATING TO THE SECURITIES

4.1 The Securities will have limited liquidity and are subject to substantial transfer restrictions

Currently, no market exists for the Securities. The Initial Purchaser is not under any obligation to make a market for the Securities. The Securities are illiquid investments. There can be no assurance that any secondary market for any of the Securities will develop, or if a secondary market does develop, that it will provide the Holders with liquidity of investment or will continue for the life of the Securities. Holders must be prepared to hold their Securities for an indefinite period of time or until the Maturity Date. The Securities will not be registered under the Securities Act or any state securities laws, and the Issuer has no plans, and is under no obligation, to register the Securities under the Securities Act. As a result, the Securities are subject to certain transfer restrictions and can only be transferred to certain transferees as described herein under "*Transfer Restrictions*". As described herein, the Issuer may, in the future, impose additional restrictions to comply with changes in applicable law. Such restrictions on the transfer of the Securities may further limit their liquidity.

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

CM Non-Voting Exchangeable Notes may be exchanged for CM Voting Notes. Such restrictions on exchange may limit their liquidity.

4.2 The Securities are not guaranteed by the Issuer, the Initial Purchaser, the Collateral Manager, the Collateral Administrator, the Agents, any Hedge Counterparty or the Trustee

None of the Issuer, the Initial Purchaser, the Collateral Manager, the Collateral Administrator, the Agents, the Administrator, any Hedge Counterparty or the Trustee or any Affiliate thereof makes any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to any Holder of ownership of the Securities, and no Holder may rely on any such party for a determination of expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to any investor of ownership of the Securities. Each Holder will be required to represent (or, in the case of certain non-certificated Securities, deemed to represent) to the Issuer and the Initial Purchaser, among other things, that it has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisors regarding investment in the Securities as it has deemed necessary and that the investment by it is within its powers and authority, is permissible under applicable laws governing such purchase, has been duly authorised by it and complies with applicable securities laws and other laws.

4.3 The Initial Purchaser will not have any ongoing responsibility for the Collateral Obligations or other assets comprised in the Portfolio or the actions of the Collateral Manager or the Issuer.

The Initial Purchaser will not have any obligation to monitor the performance of the Collateral Obligations or any other assets comprised in the Portfolio or the actions of the Collateral Manager or the Issuer and will have 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/or the Issuer, as the case may be. If the Initial Purchaser acts as a Hedge Counterparty or owns Securities, it will have no responsibility to consider the interests of any other Holders in actions it takes in such capacity. While the Initial Purchaser may own a portion of certain Classes of Securities on the Issue Date and may own Securities at any time, it has no obligation to make any investment in any Securities and may sell at any time any Securities that it does purchase.

4.4 The Securities are limited recourse obligations; investors must rely on available collections from the Collateral Obligations and will have no other source for payment

The Securities are limited recourse obligations of the Issuer. Therefore, amounts due on the Securities are payable solely from the Collateral Obligations and all other Collateral secured by the Issuer for the benefit of the Holders and other Secured Parties pursuant to the Priorities of Payment. None of the Trustee, the Collateral Administrator, the Agents, the Collateral Manager, the Initial Purchaser or any of their respective Affiliates or the Issuer's Affiliates or any other Person or entity will be obligated to make payments on the Securities. Consequently, Holders must rely solely on distributions on the Collateral Obligations and, after a Note Event of Default, proceeds from the liquidation of the Collateral for payments on the Securities. If distributions on such Collateral Obligations are insufficient to make payments on the Securities, no other assets (in particular, no assets of the Collateral Manager, the Holders, the Initial Purchaser, the Trustee, the Collateral Administrator, the Agents or any Affiliates of any of the foregoing) will be available for payment of the deficiency and all obligations of the Issuer and any claims against the Issuer in respect of the Securities will be extinguished and will not revive.

4.5 The Participating Term Certificates

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

4.6 The subordination of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates will affect their right to payment; failure of a court to enforce non-petition obligations will adversely affect the Holders

The Class A Notes are subordinated to certain amounts payable by the Issuer to other parties as set out in the Priorities of Payment (including taxes, certain amounts owing to Administrative Expenses, the Senior Management Fee and certain payments under the Hedge Agreements); the Class B Notes are subordinated on each Payment Date to the Class A Notes; the Class C Notes are subordinated on each Payment Date to the Class B Notes; the Class D Notes are subordinated on each Payment Date to the Class C Notes; the Class E Notes are subordinated on each Payment Date to the Class D Notes; the Class F Notes are subordinated on each Payment Date to the Class E Notes; and the Participating Term Certificates are subordinated on each Payment Date to the Rated Notes and certain fees and expenses (including, but not limited to, to redeem the Rated Notes upon an Effective Date Rating Event, unpaid Administrative Expenses, the Senior Management Fee, certain payments under the Hedge Agreements and the Subordinated Management Fee), in each case subject to and in accordance with the Priorities of Payment. No payments of interest or distributions from Interest Proceeds of any kind will be made on any Class of Securities on any Payment Date until interest due on the Securities of each Class to which it is subordinated has been paid in full, no payments of principal (other than Deferred Interest, to the extent set out in the Priorities of Payment) from Principal Proceeds will be made on any Class of Securities on any Payment Date until principal of the Securities of each Class to which it is subordinated has been paid in full, and no distributions from Principal Proceeds of any kind will be made on the Participating Term Certificates on any Payment Date until interest due on and all principal of the Securities of each Class to which it is subordinated has been paid in full. Therefore, to the extent that any losses are suffered by any of the Holders, such losses will be borne in the first instance by holders of the Participating Term Certificates, then by the holders of the Class F Notes, then by the holders of the Class E Notes, then by the holders of the Class D Notes, then by the holders of the Class C Notes, then by the holders of the Class B Notes, and last by the holders of the Class A Notes. Furthermore, payments of interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are subject to diversion to repay principal outstanding in respect of more senior Classes of Securities pursuant to the Priorities of Payment if certain Coverage Tests are not met, as described herein, and failure to make such payments of interest will not be a default under the Trust Deed nor under the Conditions.

Non-payment of any Interest Amounts due and payable in respect of the Class A Notes or the Class B Notes 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 or ten Business Days in the case of an administrative error or omission by the Collateral Manager, the Trustee, the Collateral Administrator, the Account Bank or any Paying Agent after the Trustee receives notice of or has actual knowledge of such error or omission). In such circumstances, the Class A Holders or, following redemption in full of the Class A Notes, the Class B Holders, acting by Extraordinary Resolution, may request the Trustee to accelerate the Securities pursuant to Condition 10 (*Note*

Events of Default). However, non-payment of any Interest Amount due and payable in respect of the Class C Notes, Class D Notes, Class E Notes, Class F Notes or Participating Term Certificates on any Payment Date by reason solely that there are insufficient funds standing to the credit of the Payment Account will not constitute a Note Event of Default, even if such Class of Securities is the Controlling Class; *provided that*, if (a) a Frequency Switch Event has occurred, and (b)(i) the Class A Notes and the Class B Notes have been redeemed and paid in full and the Issuer fails to pay any interest in respect of the Class C Notes when the same become due and payable, (ii) the Class A Notes, the Class B Notes and the Class C Notes have been redeemed and paid in full and the Issuer fails to pay any interest in respect of the Class D Notes when the same become due and payable, (iii) the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed and paid in full and the Issuer fails to pay any interest in respect of the Class E Notes when the same become due and payable, or (iv) the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed and paid in full and the Issuer fails to pay any interest in respect of the Class F Notes when the same become due and payable, and (c) the failure to pay such interest in such circumstances under paragraph (b) continues for a period of at least five Business Days (or ten Business Days in the case of an administrative error or omission by the Collateral Manager, the Trustee, the Collateral Administrator, the Account Bank or any Paying Agent) after the Trustee receives notice of or has actual knowledge of such error or omission, such non-payment of such Interest Amount on any Payment Date will constitute a Note Event of Default

In addition, if a Note Event of Default occurs, the Controlling Class (acting by way of Extraordinary Resolution), subject as provided for in Condition 11 (*Enforcement*), may direct the Trustee to give an Acceleration Notice to the Issuer and the Collateral Manager in accordance with the Conditions and may direct the Trustee to institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Securities or take any other Enforcement Action subject to the terms of the Trust Deed and the Conditions (provided that no such Enforcement Action shall be taken by the Trustee unless (i) the Enforcement Threshold has been met in accordance with the Conditions and the Requisite Majority of the Controlling Class agrees with the Enforcement Threshold Determination by Written Resolution; or (ii) where the Enforcement Threshold has not been met and (a) in respect of the Note Events of Default specified in sub-paragraphs (i), (ii) and (iv) of Condition 10(a) (*Note Events of Default*), the Requisite Majority of the Controlling Class directs the Trustee by Written Resolution to take Enforcement Action; or (b) in the case of any other Note Event of Default, the Requisite Majority of Holders of each Class of Rated Notes acting by way of Written Resolution separately by Class direct the Trustee to take Enforcement Action.

After any acceleration of the Securities, all Interest Proceeds and Principal Proceeds will be allocated in accordance with the Post-Acceleration Priority of Payments pursuant to which the Rated Notes and certain other amounts owing by the Issuer will be paid in full before any allocation to holders of the Participating Term Certificates, and holders of each Class of Rated Notes (along with certain other amounts owing by the Issuer) will be paid in order of seniority until it is paid in full before any allocation is made to holders of the next Class of Rated Notes. If a Note Event of Default has occurred and is continuing, the Holders of Participating Term Certificates will not have the right to determine the remedies to be exercised under the Trust Deed. There is no guarantee that any funds will remain to make distributions to the holders of subordinated Classes of Securities following any liquidation of the Collateral and the application of the proceeds from the Collateral to pay senior Classes of Securities and the fees, expenses, and other liabilities payable by the Issuer.

Each Holder will be deemed to agree, pursuant to the Trust Deed, that it will not at any time institute against the Issuer or join any institution against the Issuer any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or other similar law in connection with the obligations of the Issuer relating to the Securities, the Trust Deed or otherwise owed to the

Holders. If such provision failed to be enforceable under applicable bankruptcy or insolvency laws, it could result in a court or Receiver liquidating the Portfolio notwithstanding the absence of class voting required for such liquidation pursuant to the Trust Deed or failing to liquidate notwithstanding such voting direction.

4.7 Amount and timing of payments

To the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes are not made on 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, the Class E Notes or the Class F Notes, as the case may be, and shall earn interest at the interest rate applicable to such Rated Notes. Subject to Condition 10(a)(i) (*Non-payment of interest*), any failure to pay scheduled interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Participating Term Certificates at any time, due to there being insufficient funds available to pay such interest in accordance with the applicable Priorities of Payment, will not be a Note Event of Default. Payments of interest and principal on the Participating Term Certificates will only be made to the extent that there are Interest Proceeds and Principal Proceeds available for such purpose in accordance with the applicable Priorities of Payment. No interest or principal may therefore be payable on the Participating Term Certificates for an unlimited period of time, to maturity or at all.

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

4.8 Yield considerations on the Participating Term Certificates

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

4.9 The Participating Term Certificates are highly leveraged, which increases risks to investors in that Class

The Participating Term Certificates represent a highly leveraged investment in the Portfolio. Therefore, the market value of the Participating Term Certificates would be anticipated to be significantly affected by, among other things, changes in the market value of the Collateral Obligations, changes in the distributions on the Collateral Obligations, defaults and recoveries on the Collateral Obligations, capital gains and losses on the Collateral Obligations, prepayments on

the Collateral Obligations, the availability, prices and interest rates of the Collateral Obligations and other risks associated with the Portfolio as described in "*Risk Factors - Relating to the Collateral Obligations*". Accordingly, the Participating Term Certificates may not be paid in full and may be subject to up to 100 per cent. loss. Furthermore, the leveraged nature of the Participating Term Certificates may magnify the adverse impact on the Participating Term Certificates of changes in the market value of the Collateral Obligations, changes in the distributions on the Collateral Obligations, defaults and recoveries on the Collateral Obligations, capital gains and losses on the Collateral Obligations, prepayments on the Collateral Obligations and availability, prices and interest rates of the Collateral Obligations. The Participating Term Certificates are also unsecured obligations of the Issuer and therefore do not receive the benefit of the security granted by the Issuer.

Payments of Interest Proceeds to the holders of the Participating Term Certificates will not be made until due and unpaid interest on the Rated Notes and certain other amounts (including certain fees and expenses) have been paid. No payments of principal of the Participating Term Certificates will be made until principal of and interest on the Rated Notes and certain other amounts have been paid in full. On any Payment Date, sufficient funds may not be available (including as a result of a failure of any of the Coverage Tests or, during the Reinvestment Period, the Reinvestment Overcollateralisation Test) to make payments to the holders of the Participating Term Certificates in accordance with the Priorities of Payment.

Following an acceleration of the Securities which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or Condition 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 Counterparty Downgrade Collateral which is required to be paid or returned to a Hedge Counterparty outside the Priorities of Payment in accordance with the Hedge Agreement and other than amounts standing to the credit of the Currency Account which represent Sale Proceeds in respect of Non-Euro Obligations sold subject to and in accordance with the terms of a Currency Hedge Transaction which shall be paid to the relevant Hedge Counterparty in accordance with the terms thereof outside the Priorities of Payment) shall be credited to the Payment Account and shall be allocated in accordance with the Post-Acceleration Priority of Payments pursuant to which the Rated Notes and certain other amounts owing by the Issuer will be paid in full before any allocation to the Participating Term Certificates, and each Class of Rated Notes (along with certain other amounts owing by the Issuer) will be paid in order of seniority until it is paid in full before any allocation is made to the next Class of Rated Notes. If a Note Event of Default has occurred and is continuing, the holders of the Participating Term Certificates will not have any creditors' rights against the Issuer and will not have the right to determine the remedies to be exercised under the Trust Deed. There is no guarantee that any funds will remain to make distributions to the holders of subordinated Classes of Securities following any liquidation of the Collateral and the application of the proceeds from the Collateral to pay senior Classes of Securities and the fees, expenses, and other liabilities payable by the Issuer.

Issuer expenses (including management fees) are generally based on a percentage of the Collateral Principal Amount, including the Collateral Obligations obtained through the use of leverage. Given the leveraged capital structure of the Issuer, expenses attributable to any particular Class of Securities will be higher because such expenses will be based on total Collateral Obligations of the Issuer.

4.10 The Portfolio may be insufficient to redeem the Securities following a Note Event of Default

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

4.11 The Reinvestment Period may terminate early

The Reinvestment Period may terminate early if any of the following occur: (a) acceleration following a Note Event of Default which has not been cured or (b) the Collateral Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Collateral Obligations in accordance with the Reinvestment Criteria. Early termination of the Reinvestment Period could adversely affect returns to the Participating Term Certificates and may also cause the Holders to receive principal payments earlier than anticipated.

4.12 The Collateral Manager may reinvest Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations after the end of the Reinvestment Period

After the end of the Reinvestment Period, the Collateral Manager may still reinvest (i) Unscheduled Principal Proceeds; (ii) Sale Proceeds from the sale of Credit Risk Obligations; and (iii) Sale Proceeds from the sale of Credit Improved Obligations, subject to certain conditions described under "*The Portfolio*" below. Reinvestment of Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations will likely have the effect of extending the Weighted Average Life of the Collateral Obligations and the average lives of the Securities.

4.13 Certain Actions May Prevent the Failure of Coverage Tests and/or an Event of Default

Investors should note that, pursuant to the Transaction Documents:

(a) at any time, subject to certain conditions, the Issuer may issue additional Securities and apply the net proceeds to acquire Collateral Obligations or (in the case of a further issuance of Participating Term Certificates) apply such net proceeds as Interest Proceeds pursuant to the Interest Priority of Payments or for other Permitted Uses (see Condition 17 (*Additional Issuances*));

(b) the Collateral Manager may, pursuant to the Priorities of Payment, apply funds by either deferring, designating for reinvestment in Collateral Obligations or the purchase of Rated Notes pursuant to Condition 7(m) (*Purchase*) or, in its sole discretion, elect to designate for reinvestment or defer payment of some or all of the of the Collateral Management Fees that would otherwise have been payable to it or designating a Supplemental Reserve Amount; and/or

(c) the Participating Term Certificateholders may provide the Issuer with a cash advance at any time during the Reinvestment Period by way of a Reinvestment Amount, provided that no more than a total of three Reinvestment Amounts may be effected in aggregate in respect of all Participating Term Certificates and each Reinvestment Amount is in an amount no less than Euro 250,000.

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 Securities. Likewise, any such action could prevent a Note Event of Default which would otherwise have occurred and therefore potentially result in the Securities continuing to be outstanding in circumstances where the Controlling Class may otherwise have had the right to direct the Trustee to accelerate the Securities. Consequentially, the average life of the Securities may be longer than it would otherwise be. See "*Average lives of the Securities may vary*" below.

4.14 The Trust Deed requires mandatory redemption of the Rated Notes for failure to satisfy Coverage Tests and if an Effective Date Rating Event occurs

If on any relevant Determination Date any applicable Coverage Test is not met with respect to any Class or Classes of Rated Notes, or an Effective Date Rating Event has occurred and is continuing, Interest Proceeds that otherwise would have been paid or distributed to the Holders of each Class of Rated Notes (other than Class A Notes and Class B Notes) that is subordinated to such Class or Classes and (during the Reinvestment Period and with respect to Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations, after the Reinvestment Period) Principal Proceeds that would otherwise have been reinvested in Collateral Obligations will instead be used to redeem the Rated Notes of the most senior Class or Classes then Outstanding, in each case in accordance with the Priorities of Payment, to the extent necessary to satisfy the applicable Coverage Tests or until such Effective Date Rating Event is no longer continuing. This could result in an elimination, deferral or reduction in the payments of Interest Proceeds and Principal Proceeds to the holders of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and/or the Participating Term Certificates, as the case may be. In addition, a mandatory redemption of Rated Notes owing to an Effective Date Rating Event could result in the Collateral Manager causing the Issuer to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realised value of the Collateral Obligations sold.

4.15 The Rated Notes are subject to Special Redemption at the option of the Collateral Manager

The Rated Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Collateral Manager (acting on behalf of the Issuer) notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager (acting on behalf of the Issuer) in its discretion and which would meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account or Unused Proceeds Account to be invested in additional Collateral Obligations. On the Special Redemption Date, the Special Redemption Amount will be applied in accordance with the Principal Proceeds Priority of Payments. The application of funds in that manner could result in an elimination, deferral or reduction of amounts available to make payments with respect to the Holders of Participating Term Certificates.

4.16 Additional issuances of Securities may have the effect of preventing the failure of the Coverage Tests and the occurrence of a Note Event of Default

The Issuer may issue and sell additional Securities of any one or more existing Classes and use the net proceeds to purchase additional Collateral Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Securities or for other purposes permitted under the Trust Deed. If certain conditions for such additional issuance are met, such additional issuance may be made without the consent of the Holders (save for the Holders of Participating Term Certificates acting by way of Ordinary Resolution). The consent of the Retention Holder will be required for any such issuance and in addition a number of other conditions precedent must be satisfied.

The use of issuance proceeds of any additional issuances as Principal Proceeds may have the effect of causing a Coverage Test that was otherwise failing to be cured or modifying the effect of events that would otherwise give rise to a Note Event of Default and permit the Controlling Class to exercise remedies under the Trust Deed.

4.17 Refinancing

Following a Refinancing in part pursuant to the Conditions, a Class of Refinancing Obligation may in certain circumstances have a maturity date that is earlier than the maturity date of Classes of Securities ranking lower than such Refinancing Obligations in the Priorities of Payment. This could result in the Issuer (or the Collateral Manager on its behalf) being required to sell Collateral

Obligations or use Principal Proceeds which could have been used for reinvestment to redeem such maturing Class of Securities. This could adversely affect returns to the Holders of Participating Term Certificates.

4.18 The Rated Notes are subject to Optional Redemption in whole or in part

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

The Rated Notes are subject to optional and mandatory redemption in a variety of circumstances (see Condition 7 (*Redemption and Purchase*)). Depending on which of the specific provisions of Condition 7 (*Redemption and Purchase*) are applicable, in some circumstances the Rated Notes will be redeemed in whole and in others they will only be redeemed in part. In some instances the Rated Notes may be redeemed at the option of either the Holders of Participating Term Certificates, the Collateral Manager or the Controlling Class. In other instances, redemption will not depend on the exercise of a discretion (as is the case, for example, with redemptions that occur after the expiry of the Reinvestment Period). There are a variety of different tests, steps, criteria and thresholds that may need to be satisfied before any such redemption can occur. In this regard potential investors should consider the terms of Condition 7 (*Redemption and Purchase*) in detail. In the case of a Non-Consenting Amendment Redemption, the Rated Notes held by a Holder may be redeemed at the election of the Collateral Manager if such Holder does not vote in favour of, or if present or represented at a meeting, abstains from voting in respect of, any modification, authorisation or waiver of any Transaction Document that requires the consent of one or more holders of Securities of the relevant Class (see further Condition 7(h) (*Non-Consenting Amendment Redemption*)).

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

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

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

(iii) Where one or more Classes of Rated Notes are redeemed through a Refinancing, Holders should be aware that any such redemption would occur outside of the Note Payment Sequence and the Priorities of Payment. In addition Holders of a Class of Rated Notes that are redeemed through a Refinancing should be aware that the Applicable Margin of any new notes will be equal to or lower than the Applicable Margin of such Rated Notes immediately prior to such Refinancing. In addition, a Refinancing may result in a Class of Rated Notes having a shorter maturity date than other Classes of Rated Notes. See "*Refinancing*" above; and

(iv) Where the Rated Notes are to be redeemed by liquidation, there can be no assurance that the Sale Proceeds realised would permit any distribution on the Participating Term Certificates after all required payments are made to the holders of the Rated Notes or, in certain circumstances, that losses would not be incurred on Rated Notes. In addition, a

redemption could require the Collateral Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realised value of the Collateral Obligations sold.

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

The Rated Notes accrue interest at either three month EURIBOR or six month EURIBOR (other than in respect of the first Accrual Period in respect of which interest will accrue at a straight line interpolation at 6 month EURIBOR and 9 month EURIBOR). The interest rate may fluctuate from one accrual period to another in response to changes in EURIBOR. The Participating Term Certificates do not bear a stated rate of interest. Several years ago, EURIBOR experienced historically high volatility and significant fluctuations. It is likely that EURIBOR will continue to fluctuate and neither the Issuer, the Collateral Administrator, the Collateral Manager, the Initial Purchaser nor any of their Affiliates make any representation as to what EURIBOR will be in the future. Because the Rated Notes bear interest based upon either three month EURIBOR or six month EURIBOR (other than in respect of the first Accrual Period in respect of which interest will accrue at a straight line interpolation of 6 month EURIBOR and 9 month EURIBOR), there may be a basis mismatch between the Rated Notes and the underlying Collateral Obligations and Eligible Investments with interest rates based on an index other than EURIBOR, interest rates based on EURIBOR for a different period of time or even six month EURIBOR for a different accrual period. In addition, up to 7.0 per cent. of the Collateral Principal Amount of Collateral Obligations may bear interest at a fixed rate. It is possible that EURIBOR payable on the Rated Notes may rise (or fall) during periods in which EURIBOR (or another applicable index) with respect to the various Collateral Obligations and Eligible Investments is stable or falling (or rising but capped at a level lower than EURIBOR for the Rated Notes). No assurance can be given that the portion of floating rate Collateral Obligations of the Issuer that bear interest based on indices other than EURIBOR will not increase in the future. Some Collateral Obligations, however, may have EURIBOR floor arrangements that may help mitigate this risk, but there is no requirement for any Collateral Obligation to have a EURIBOR floor and there is no guarantee that any such EURIBOR floor will fully mitigate the risk of falling EURIBOR. If EURIBOR payable on the Rated Notes rises during periods in which EURIBOR (or another applicable index) with respect to the various Collateral Obligations and Eligible Investments is stable or during periods in which the Issuer owns Collateral Obligations or Eligible Investments bearing interest at a fixed rate, is falling or is rising but is capped at a lower level, "excess spread" (i.e., the difference between the interest collected on the Collateral 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 instead be used to pay interest on the Rated Notes.

There may also be a timing mismatch between the Rated Notes and the underlying Collateral Obligations as EURIBOR (or other applicable index) on such Collateral Obligations may adjust more frequently or less frequently, on different dates than EURIBOR on the Rated Notes. Such a mismatch could result in the Issuer not collecting sufficient Interest Proceeds to make interest payments on the Rated Notes. The Issuer may or may not enter into interest rate swap transactions to hedge any interest rate or timing mismatch. To the extent described herein, the Issuer may enter into Hedge Agreements to reduce the effect of any such interest rate mismatch. Subject to certain conditions as set out in "*Hedging Arrangements*", the Collateral Manager shall only cause the Issuer to enter into Hedge Agreements in respect of which prior to entering into such Hedge Agreement, the Issuer (or the Collateral Manager on behalf of the Issuer) obtains legal advice of reputable legal counsel to the effect that the entry into of such Hedge Agreement will not require the Issuer, its directors or officers or the Collateral Manager to register with the United States Commodity Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936. See "*Hedging Arrangements*". Even if the Issuer were to enter into one or more Hedge Agreements, there can be no assurance that the Collateral Obligations and the Eligible Investments will in all circumstances

generate sufficient Interest Proceeds to make timely payments of interest on the Rated Notes and to make distributions to the holders of the Participating Term Certificates, nor that the Hedge Agreements will ensure any particular return on any such Securities.

4.20 The average lives of the Securities may vary

The average life of each Class of Securities is expected to be shorter than the number of years until the Maturity Date. Each such average life may vary due to various factors affecting the early retirement of Collateral Obligations from payments, defaults, or otherwise, the timing and amount of sales of such Collateral Obligations, the ability of the Collateral Manager to invest collections and proceeds in additional Collateral Obligations, and the occurrence of any mandatory redemption in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*), Condition 7(b) (*Optional Redemption*), Condition 7(g) (*Redemption following Note Tax Event*) or Condition 7(d) (*Special Redemption*). Retirement of the Collateral Obligations prior to their respective final maturities will depend, among other things, on the financial condition of the issuers of the underlying Collateral Obligations and the respective characteristics of such Collateral Obligations, including the existence and frequency of exercise of any optional redemption, mandatory redemption or sinking fund features, the prevailing level of interest rates, the redemption prices, the actual default rates and the actual amount collected on any Defaulted Obligations and the frequency of tender or exchange offers for such Collateral Obligations. In particular, loans are generally prepayable at par, and a high proportion of loans could be prepaid. The ability of the Issuer to reinvest proceeds in securities with comparable interest rates that satisfy the reinvestment criteria specified herein may affect the timing and amount of payments received by the Holders and the yield to maturity of the Securities. See "*The Portfolio*".

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

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

4.22 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 F Notes or the Participating Term Certificates, the assets of the Issuer could be considered to be assets of such Plans and certain of the transactions contemplated under such Securities could be considered "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code. See "*Certain ERISA Considerations*".

4.23 Forced transfer

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule 144A Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is both a QIB and a QP. In addition, each Holder 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 Holder is a Non-Permitted ERISA Holder, the Issuer shall, promptly after determination that such person is a Non-Permitted Holder or Non-Permitted ERISA Holder by the Issuer, send notice to such Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) demanding that such Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) transfer its interest to a person that is not a Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) within 30 days (or 10 days in the case of a Non-Permitted ERISA Holder) of the date of such notice. If such Non-Permitted Holder or Non-Permitted ERISA Holder (as applicable) 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) 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 or is a QIB and a QP and is not a Non-Permitted ERISA Holder and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

Under FATCA, the Issuer may be required to, among other things, provide Holder FATCA Information to a tax authority.

The Issuer may force the sale of a Holder's Securities (other than the Retention Securities) in order to comply with or avoid withholding under, FATCA, including Securities held by a Holder that fails to provide Holder FATCA Information or if the Issuer otherwise reasonably determines that a Holder's acquisition or holding of an interest in such a Security would cause the Issuer to be unable to comply with FATCA (and such sale could be for less than its then fair market value). For these purposes, the Issuer shall have the right to sell a Holder's interest in its Securities (other than the Retention Securities) in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA. If the Issuer elects to force such sale, the Issuer shall require the Holder to sell its Securities to a purchaser selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale, shall be remitted to the selling Holder. 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 Securities sold as a result of any such sale or the exercise of such discretion.

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

The Issuer has not registered with the United States Securities and Exchange Commission ("**SEC**") as an investment company pursuant to the Investment Company Act, in reliance on an exception under section 3(c)(7) of the Investment Company Act for investment companies (a) whose outstanding securities are beneficially owned only by QPs and by "knowledgeable employees" with respect to the Issuer and certain transferees thereof identified in Rules 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 recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in violation of the Investment Company Act or whose performance involves such violation would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. In addition, such a finding would constitute a Note Event of Default under the Trust Deed. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines that any holder of an interest in a Rule 144A Note is a Non-Permitted Holder the Issuer shall require the sale of the relevant Securities subject to and in accordance with the Conditions. See "*Forced Transfer*" above.

4.25 Book-entry holders are not considered Holders under the Trust Deed and may delay receipt of payments on the Securities.

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

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

4.26 Security

Clearing Systems

Collateral in the form of securities (if any) will be held by the Custodian on behalf of the Issuer. The Custodian will hold such Collateral Obligations which can be cleared through Euroclear in an account with Euroclear which is expected to be opened by the Custodian (or a duly appointed sub-custodian) on or around the Issue Date (the "**Euroclear Account**") and will hold the other securities comprising the Portfolio which cannot be so cleared (i) through its accounts with Clearstream, Luxembourg, and (ii) through its sub-custodians who will in turn hold such assets which are securities both directly and through any appropriate clearing system. Those assets held in clearing systems will not be held in special purpose accounts and will be fungible with other securities from the same issue held in the same accounts on behalf of the other customers of the Custodian or its sub custodian, as the case may be. A first fixed charge over the Portfolio will be created under English law pursuant to the Trust Deed on the Issue Date which will, in relation to the assets that are held through the Custodian, take effect as a security interest over (i) the beneficial interest of the Issuer in its share of the pool of securities fungible with the relevant assets held in the accounts of the Custodian on trust for the Issuer and (ii) the Issuer's ancillary contractual rights against the Custodian in accordance with the terms of the Agency 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 if an insolvency of the Custodian or its sub-custodian occurs.

On or around the Issue Date, a pledge will be granted by the Issuer pursuant to Belgian law over the Collateral Obligations, Collateral Enhancement Obligations, Eligible Investments and Exchanged Equity Securities held in the Euroclear Account (the "**Euroclear Security Agreement**"). The effect of this security interest is to enable the Trustee, or the Custodian on its behalf, on enforcement, to sell the securities in the Euroclear Account. The Euroclear Security Agreement does not entitle the Trustee to require delivery of the relevant securities from the depositary or depositaries that have physical custody of such securities or allow the Trustee to dispose of such securities directly other than on enforcement.

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

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

Fixed Security

Although the security constituted by the Trust Deed over the Collateral held from time to time, including the security over the Accounts, is expressed to take effect as a fixed charge, it may (as a result of, among other things, the substitutions of Collateral Obligations or Eligible Investments contemplated by the Collateral Management 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.

4.27 Actions of any Rating Agency can adversely affect the market value or liquidity of the Rated Notes.

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

The Rating Agencies may change their published ratings criteria or methodologies for securities such as the Rated Notes at any time in the future. Further, the Rating Agencies may retroactively apply any such new standards to the ratings of the Rated Notes. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any Rated Note, despite the fact that such Rated Note might still be performing fully to the specifications set out for such Rated Note in this Offering Circular and the Transaction Documents. Additionally, any Rating Agency may, at any time and without any change in its published ratings criteria or methodology, lower or withdraw any rating assigned by it to any Class of Rated Notes. If any rating initially

assigned to any Rated Note is subsequently lowered or withdrawn for any reason, Holders may not be able to resell their Securities without a substantial discount. Any reduction or withdrawal to the ratings on any Class of Rated Notes may significantly reduce the liquidity of such Rated Notes and may adversely affect the Issuer's ability to make certain changes to the composition of the Collateral 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 Obligations. The Collateral Quality Tests, the Portfolio Profile Tests, the Reinvestment Overcollateralisation Test and the Coverage Tests are sensitive to variations in the ratings applicable to the underlying Collateral Obligations. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Credit Risk Obligation, a Caa Obligation, a CCC Obligation (and therefore potentially subject to haircuts in the determination of the Par Value 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 Moody's Rating and the Fitch Rating. In most instances, the Moody's Rating and the Fitch Rating will not be based on or derived from a public rating of the Obligor or the actual Collateral Obligation. In most cases, the Moody's Rating and the Fitch Rating in respect of a Collateral Obligation will be based on a confidential credit estimate determined separately by Moody's and Fitch. Such confidential credit estimates are private and therefore not capable of being disclosed to Holders. In addition, some ratings will be derived by the Collateral Manager based on, among other things, Obligor group or affiliate ratings, comparable ratings provided by a different Rating Agency and, in certain circumstances, temporary ratings applied by the Collateral Manager. Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Collateral Obligation and may reflect a more or less conservative view of the actual credit risk of such Collateral Obligation than any such fundamental credit analysis might, if conducted, warrant; and model-derived variations in such ratings may occur (and have consequential effects on the Collateral Quality Tests, the Portfolio Profile Tests, the Reinvestment Overcollateralisation Test and the Coverage Tests) without necessarily reflecting comparable variation in the actual credit quality of the Collateral Obligation in question. Please see "*The Portfolio*" and "*Ratings of the Securities*".

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 Obligation might still be performing fully to the specifications set out in its Underlying Instrument. Any change in such methods and standards could result in a significant rise in the number of Caa Obligations and 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 Rated Notes (or the requirement to reinvest Interest Proceeds as opposed to applying them in the payment of distributions to Holders of Participating Term Certificates in the case of failure of the Reinvestment Overcollateralisation Test). See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

Rating Agencies may refuse to give rating agency confirmations

Historically, many actions by issuers of CLO notes (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.

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, except in the limited circumstances set out in the definition of Rating Agency Confirmation. Further, in connection with the Effective Date, if either Rating Agency has not yet confirmed its initial ratings of the applicable Rated Notes, the applicable Rated Notes will be subject to redemption in part in an amount and in the manner described under Condition 7(e) (*Redemption upon Effective Date Rating Event*). There can be no assurance that a Rating Agency will provide such rating confirmations upon request, regardless of the terms agreed to among transaction participants, or not subsequently withdraw or downgrade its ratings on one or more Classes of Rated Notes, which could materially adversely affect the value of liquidity of the Rated Notes.

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

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

Each Rating Agency must be able to reasonably rely on the arranger's certifications. If the arranger does not comply with its undertakings to any Rating Agency with respect to this transaction, such Rating Agency may withdraw its ratings of the Rated Notes, as applicable. 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 Securities. Such unsolicited ratings could have a material adverse effect on the price and liquidity of the Rated Notes and, for regulated entities, could adversely affect the value of the Rated Notes as a legal investment or the capital treatment of the Rated Notes. For the avoidance of doubt, no report of any independent accountants will be required to be provided to, or will otherwise be shared with, any Rating Agency and will not, under any circumstances, be posted to the website maintained for the purposes of compliance with Rule 17g-5.

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

The SEC adopted Rule 15Ga-2 and Rule 17g-10 to the United States Securities Exchange Act of 1934, on 27 August 2014, which require certain filings or certifications to be made 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).

It is presently unclear what, if any, services provided or to be provided by third parties to the Issuer in connection with the transaction described in this Offering Circular would constitute "due diligence services" under Rule 17g-10, and consequently, 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 have been required under the rules described in the preceding paragraph.

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 Rated Notes. In such case, the price or transferability of the Rated Notes (and any beneficial owner of Rated Notes that relies on ratings of securities for regulatory or other compliance purposes) may be adversely affected.

Reliance on Rating Agency Ratings

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. New regulations have been proposed but have not yet been fully implemented in all respects. When such regulations are fully implemented, investments in asset-backed securities like the Rated 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 Rated 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 Rated Notes will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavourable accounting treatment, capital charges or reserve requirements.

4.28 Financial information provided to Holders in the Monthly Report and the Payment Date Report will be unaudited.

On a monthly basis, excluding any month in which a Payment Date occurs, the Issuer will compile and make available (or cause to be compiled and made available) to each Rating Agency then rating a Class of Rated Notes, the Hedge Counterparties, the Trustee, the Collateral Manager, the Initial Purchaser and, upon written request therefor, to any Holder shown on the Register and upon written notice to the Trustee in the form required under the Trust Deed, any beneficial owner of a Security, a monthly report (the "**Monthly Report**"), setting forth certain information with respect to the Collateral Obligations in respect of the immediately preceding month, including certain loss and delinquency information on the Collateral Obligations and measurements of each criterion included in the Eligibility Criteria. In preparing and furnishing the Monthly Reports, the Issuer will rely conclusively on the accuracy and completeness of the information or data regarding the Collateral Obligations that has been provided to it by the Collateral Administrator (which will rely conclusively, in turn, on the accuracy and completeness of certain information provided to it by the Collateral Manager), and the Issuer will not verify, recompute, reconcile or recalculate any such information or data. On each Payment Date, the Issuer shall render to each Rating Agency then rating a Class of Rated Notes, the Trustee, the Collateral Manager, the Initial Purchaser and, upon written request therefor, to any Holder shown on the Register and upon written notice to the Trustee in the form prescribed under the Trust Deed, any beneficial owner of a Security, a report

containing all the information in a Monthly Report reported for the full Accrual Period as well as setting forth, among other things, certain information as to the distributions being made on such Payment Date, the fees to be paid to the Collateral Manager and the Trustee and the loss and delinquency status of the Collateral Obligations (the "**Payment Date Report**"). These Monthly Reports and Payment Date Reports will also be made available at the internet website of the Collateral Administrator. Neither such information nor any other financial information furnished to Holders will be audited and reported upon, and an opinion will not be expressed, by an independent public accountant.

4.29 Money laundering prevention laws may require certain actions or disclosures.

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

4.30 Resolutions, Amendments and Waivers

Decisions may be taken by Holders by way of Ordinary Resolution or Extraordinary Resolution, of each Class or, to the extent specified in any applicable Transaction Document or the Conditions, by a Class of Holders acting independently. Such Resolutions can be effected either at a duly convened meeting of the applicable Holders or by the applicable Holders resolving in writing. Meetings of the Holders may be convened by the Issuer, the Trustee or by one or more Holders holding not less than 10.0 per cent. of the aggregate Principal Amount Outstanding of the Securities 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 Securities 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 Securities.

If a meeting of Holders is called to consider a Resolution, determination as to whether the requisite number of Securities has been voted in favour of such Resolution will be determined by reference to the percentage which the Securities voted in favour represent of the total amount of Securities held or represented by any person or persons entitled to vote which are present at such meeting and not by the aggregate Principal Amount Outstanding of all such Securities which are entitled to be voted in respect of such Resolution. The voting threshold at any Holders' meeting in respect of an Ordinary Resolution or an Extraordinary Resolution of all Holders is, respectively, more than 50.0 per cent. or at least 66⅔ per cent. of the votes cast on such Resolution. This means that a lower percentage of Holders may pass a Resolution which is put to a meeting of Holders

than would be required for a Written Resolution in respect of the same matter, which would be determined by reference to the aggregate Principal Amount Outstanding of the relevant Class of Securities. See Condition 14 (*Meetings of Holders, Modification, Waiver and Substitution*). There are however quorum provisions which provide that a minimum number of Holders representing a minimum amount of the aggregate Principal Amount Outstanding of the applicable Class or Classes of Securities be present at any meeting to consider an Extraordinary Resolution or Ordinary Resolution. In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than 66⅔ per cent. of the aggregate Principal Amount Outstanding of each Class of Securities (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 50.0 per cent. of the aggregate Principal Amount Outstanding of each Class of Securities (or the relevant Class or Classes only, if applicable). Such quorum provisions still, however, require considerably lower thresholds than would be required for a Written Resolution. In addition, if a quorum requirement is not satisfied at any meeting, a lower quorum threshold (when a quorum will be satisfied by any one or more persons holding not less than twenty five per cent. (25%) of the aggregate Principal Amount Outstanding of that Class of Securities (regardless of the aggregate Principal Amount Outstanding so held or represented)) will apply at any meeting previously adjourned for want of quorum, as set out in Condition 14 (*Meetings of Holders, Modification, Waiver and Substitution*) and in the Trust Deed. Any such Resolution may be adverse to any Class of Holders or to any group of Holders or individual Holders within any Class.

Certain decisions, including the removal of the Collateral Manager by the Controlling Class and instructing the Trustee to sell the Collateral following the acceleration of the Securities require authorisation by Written Resolution of the Requisite Majority of the Holders of a Class or Classes.

Class A Notes, Class B Notes, Class C Notes or Class D Notes constituting the Controlling Class that are in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes will have no right to vote in connection with and will not be counted for the purposes of determining a quorum or the result of voting on any CM Removal Resolution or any CM Replacement Resolution. As a result, for so long as the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes constitute the Controlling Class, only Notes of such Class 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 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 Holders. 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 Non-Voting Exchangeable Notes and/or CM Non-Voting Notes) will be bound by such Resolution. Furthermore, investors should be aware that if the entirety of a Class of Notes which represents the most senior Class outstanding is held in the form of CM Non-Voting Exchangeable Notes and/or CM Non-Voting Notes, as 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.

Certain amendments and modifications to the Transaction Documents may be made without the consent of any Holders and the Trustee (subject to the receipt of prior written notice and certain other conditions including, without limitation those set out in Condition 14(c) (*Modification and Waiver*)) will be obliged to consent to such changes. These include amendments and modifications required to reflect changes by a Rating Agency of its criteria or as may be required to comply with certain regulations (including, EMIR, the Retention Requirements, AIFMD and CRA3). See Condition 14(c) (*Modification and Waiver*). Any such amendment or modification could be prejudicial or adverse to certain Holders.

Certain entrenched rights relating to the Conditions including the currency thereof, Payment Dates applicable thereto, the Priorities of Payment, the provisions relating to quorums and the percentages of votes required for the passing of an Extraordinary Resolution, cannot be amended or waived by Ordinary Resolution but require an Extraordinary Resolution of each Class. 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 Holders agree with the terms thereof and any amendments or waivers once passed in accordance with the provisions of the Conditions and the provisions of the Trust Deed will be binding on all such dissenting Holders. Modifications may also be made and waivers granted in respect of certain other matters, which the Trustee is obliged to consent to without the consent of the Holders as set out in, and subject to the conditions of, Condition 14(c) (*Modification and Waiver*). The Trustee, however, has no discretion in such cases to agree to any amendments, modifications and/or waivers.

Investors should note that the Rated Notes held by a Holder may be redeemed at the election of the Collateral Manager if such Holder does not vote in favour of, or if present or represented at a meeting, abstains from voting in respect of, any modification, authorisation or waiver of any Transaction Document that requires the consent of one or more holders of Securities of the relevant Class. See further Condition 7(h) (*Non-Consenting Amendment Redemption*) and "*The Rated Notes are subject to Optional Redemption in whole or in part*".

Each Hedge Counterparty may also need to be notified and its consent required to the extent provided for in the applicable Hedge Agreement in respect of a modification, amendment or supplement to any provision of the Transaction Documents. Any such consent, if withheld, may prevent the modification of the Transaction Documents, which may not be beneficial to or in the best interests of the Holders or may give the Hedge Counterparty the right to terminate the relevant Hedge Agreement (See "*Counterparty Risk*").

4.31 Modification of Transaction Documents without consent of Holders

Certain amendments and modifications may be made without the consent of Holders or the Trustee. See Condition 14(c) (*Modification and Waiver*). Such amendment or modification could be adverse to the interests of certain Holders.

Certain modifications, amendments or supplements as set out in Condition 14(c) (*Modification and Waiver*) may require the prior consent of the Hedge Counterparties. If such consents are not provided, the Issuer may be prevented from making certain amendments and modifications, which may be adverse to the interests of the Holders or may give the Hedge Counterparty the right to terminate the relevant Hedge Agreement (See "*Counterparty Risk*").

4.32 Enforcement rights following a Note Event of Default

If a Note Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by Extraordinary Resolution (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that all the Securities are to be immediately due and payable following which the security over the Collateral shall become enforceable and, subject as provided below, may be enforced either by the Trustee, at its discretion, or if so directed by the Controlling Class acting by Extraordinary Resolution.

At any time after the Securities become due and payable and the security over the Collateral becomes enforceable, the Trustee may, at its discretion, and shall, if so directed by the Controlling Class acting by Extraordinary Resolution (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), take an Enforcement Action in respect of the security over the Collateral, provided that no such Enforcement Action may be taken by the Trustee unless: (A) in accordance with Condition 11(b)(i)(A) (*Enforcement*), the Trustee determines, subject to consultation with the Collateral Manager, that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith) would be sufficient to (i) discharge in full all amounts due and payable in respect of all Classes of Securities other than the Participating Term Certificates (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) and all

amounts payable in priority thereto pursuant to the Post-Acceleration Priority of Payments; (ii) provide an additional amount equal to 5.0 per cent. of the aggregate of the amounts set forth in (i); and (iii) the Requisite Majority of the Controlling Class agrees with such determination by a Written Resolution; or (B) if the Enforcement Threshold will not have been met then: (I) in the case of a Note Event of Default specified in sub-paragraphs (i), (ii) or (iv) of Condition 10(a) (*Note Events of Default*), the Requisite Majority of the Controlling Class by Written Resolution directs the Trustee to take such Enforcement Action without regard to any other Note Event of Default which has occurred prior to, contemporaneously or subsequent to such Note Event of Default or (II) in the case of any other Note Event of Default, the Requisite Majority of Holders of each Class of Rated Notes, acting by Written Resolution separately by Class directs the Trustee to take Enforcement Action.

The requirements described above could result in the Controlling Class being unable to procure enforcement of the security over the Collateral in circumstances in which they desire such enforcement and may also result in enforcement of such security in circumstances where the proceeds of liquidation thereof would be insufficient to ensure payment in full of all amounts due and payable in respect of all the Securities in accordance with the Post-Acceleration Priority of Payments and/or at a time when enforcement thereof may be adverse to the interests to certain Classes of Securities and, in particular, the Participating Term Certificates.

In addition, whilst non-payment of interest on the Class B Notes within five Business Days (or ten Business Days where such non-payment results from an administrative error as further specified in Condition 10(a)(i) (*Non payment of interest*)) of such payment being due and payable constitutes a Note Event of Default under the Conditions, the Holders of the Class B Notes will not be entitled to procure acceleration of the Securities or enforcement of the security over the Collateral at any time whilst any of the Class A Notes remain Outstanding.

5 RELATING TO THE COLLATERAL OBLIGATIONS

5.1 The Portfolio

The decision by any prospective Holder to invest in the Securities should be based, among other things (including, without limitation, the identity of the Collateral Manager), on the Eligibility Criteria (and the Reinvestment Criteria, when applicable) which each Collateral Obligation is required to satisfy, as disclosed in this Offering Circular, and on the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests and Target Par Amount that the Portfolio is required to satisfy as at the Effective Date (other than in respect of the Interest Coverage Tests, which are required to be satisfied as at the Determination Date preceding the second Payment Date) and in each case (save as described herein) thereafter. This Offering Circular does not contain any information regarding the individual Collateral Obligations on which the Securities will be secured from time to time. Purchasers of any of the Securities 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 judgement 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 or the Initial Purchaser has made or will make any investigation into the Obligors of the Collateral Obligations. The value of the Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and none of the Issuer, the Trustee, the Initial Purchaser, the Agents, the Custodian, the Collateral Manager, the Collateral Administrator, any Hedge Counterparty or any of their Affiliates is under any obligation to maintain the value of the Collateral Obligations at any particular level. None of the Issuer, the Trustee, the Custodian, the Collateral Manager, the Collateral Administrator, the Agents, any Hedge Counterparty, the Initial Purchaser or any of their Affiliates has any liability to the Holders as to the amount or value of, or any decrease in the value of, the Collateral Obligations from time to time.

5.2 Nature of Collateral; defaults

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

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

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

The offering of the Securities has been structured so that the Securities are assumed to be able to withstand certain assumed losses relating to defaults on the underlying Collateral Obligations. See "*Ratings of the Securities*". There is no assurance that actual losses will not exceed such assumed losses. If any losses exceed such assumed levels, payments on the Securities could be adversely affected by such defaults. To the extent that a default occurs with respect to any Collateral Obligation securing the Securities and the Issuer sells or otherwise disposes of such Collateral Obligation, it is likely that the proceeds of such sale or disposition will be less than the unpaid principal and interest thereon.

The financial markets periodically experience substantial fluctuations in prices for obligations of the types that may be Collateral Obligations and limited liquidity for such obligations. No assurance can be made that the conditions giving rise to such price fluctuations and limited liquidity will not occur, subsist or become more acute following the Issue Date. During periods of limited liquidity and higher price volatility, the ability of the Collateral Manager (on behalf of the Issuer) to acquire or dispose of Collateral Obligations at a price and time that the Collateral Manager deems advantageous may be impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is either unable to dispose of Collateral Obligations whose prices have risen or to acquire Collateral Obligations whose prices are on the increase; the Collateral Manager's inability to dispose fully and promptly of positions in declining markets will conversely cause their net asset value to decline as the value of unsold positions is marked to lower prices. A decrease in the Market Value of the Collateral Obligations would also adversely affect the proceeds of sale that could be obtained upon the sale of the Collateral Obligations and could ultimately affect the ability of the Issuer to pay in full or redeem the Securities. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of such Collateral Obligations at any time, or that the proceeds of any such sale or disposition would be sufficient to repay a corresponding par amount of principal of and interest on the Securities after, in each case, paying all amounts payable prior thereto pursuant to the Priorities of Payment. Moreover, there can be no assurance as to the amount or timing of any recoveries received in respect of Defaulted Obligations.

5.3 Below investment-grade Collateral Obligations involve particular risks

The Collateral Obligations will consist primarily of non-investment grade loans or interests in non-investment grade loans, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. It is anticipated that the Collateral Obligations generally will be subject to greater risks than investment grade corporate obligations. These risks could be exacerbated to the extent that the Portfolio is concentrated in one or more particular types of Collateral Obligations.

Prices of the Collateral Obligations may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the Obligors of the Collateral Obligations. The current uncertainty affecting the European economy and the economies of countries in which issuers of the Collateral Obligations are domiciled and the possibility of increased volatility in financial markets could adversely affect the value and performance of the Collateral Obligations. Additionally, loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organised exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customised, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the debt securities market.

Leveraged loans have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on the Collateral Obligations, and an increase in default levels could adversely affect payments on the Securities.

A non-investment grade loan, bond or other debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial work out negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such Defaulted Obligation. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such Defaulted Obligation. 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 to either the minimum recovery rate assumed by either Moody's or Fitch in rating the Rated Notes or any recovery rate used in connection with any analysis of the Securities that may have been prepared by the Initial Purchaser for or at the direction of Holders.

5.4 Credit ratings are not a guarantee of quality or performance.

Credit ratings of Collateral Obligations represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality or performance. A credit rating is not a recommendation to buy, sell or hold Collateral Obligations and may be subject to revision or withdrawal at any time by the assigning rating agency. If a rating assigned to any Collateral Obligation is lowered for any reason, no party is obligated to provide any additional support or credit enhancement with respect to such Collateral Obligation. Rating agencies attempt to evaluate the relative future creditworthiness of an obligation and do not address other risks, including but not limited to, liquidity risk, market value or price volatility; therefore, ratings do not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an Obligor's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of any Collateral Obligation (as is also the case in respect of the Rated Notes) should be used only as a preliminary indicator of investment quality and should not be considered a completely reliable indicator of investment quality. Rating reductions or withdrawals may occur for any number of reasons and may affect numerous Collateral Obligations at a single time or within a short period of time, with material adverse effects upon the Securities. It is possible that many credit ratings of Collateral Obligations

included in or similar to the Collateral Obligations will be subject to significant or severe adjustments downward.

5.5 The Warehouse Arrangements

The Issuer has purchased or entered into an agreement to purchase a substantial portion of the Portfolio (such Collateral Obligations, the "**Warehoused Assets**") on or prior to the Issue Date in accordance with the Warehouse Arrangements, pursuant to which an Affiliate of the Initial Purchaser (in such capacity, the "**Warehouse Debt Provider**"), one or more Affiliates of the Collateral Manager and one or more funds managed by the Collateral Manager or its Affiliates ("**Warehouse Equity Providers**", and together with the Warehouse Debt Providers, the "**Warehouse Providers**") are involved. The Warehouse Arrangements must be terminated in all respects on the Issue Date, and all amounts owing to the Warehouse Providers in connection with such arrangements must be repaid by the Issue Date from the proceeds of the issuance of the Securities.

The prices paid for such Collateral 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 which may occur between the date on which the Issuer first acquired a Collateral 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 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 and international political events, could adversely affect the market value of the Collateral Obligations acquired prior to the Issue Date.

In addition, any interest or other amounts paid or accrued on such Collateral Obligations during the period prior to the Issue Date will be paid to the Warehouse Providers on the Issue Date. Investors in the Securities will be assuming the risk of market value and credit quality changes in the Collateral Obligations from the date such Collateral Obligations are acquired during the period prior to the Issue Date but will not receive the benefit of interest earned on the Collateral Obligations during such period provided that any risk in relation to any Collateral 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 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 Issuer acquired a portion of the Warehoused Assets in connection with an optional redemption of a collateralised loan obligation vehicle for which an affiliate of the Collateral Manager acted as collateral manager. Such Warehoused Assets were acquired pursuant to participation agreements entered into prior to the Issue Date (the participation interests subject to such participation agreements, the "**Issue Date Participation Interests**"). Such participation agreements required that the Issuer and the seller use commercially reasonable efforts to elevate the participation interests in each asset subject thereto by an assignment agreement. However, certain circumstances may occur that could cause a delay in the elevation of the participation in certain assets. For example, the related administrative agent may place the credit on hold and refuse to acknowledge assignment for a period of time, or the applicable obligor, administrative agent or letter of credit provider may withhold a required consent. Although the participation agreements may grant a security interest to the Issuer in the assets subject thereto, the Issuer will be subject to the counterparty risk of the relevant Selling Institution until such time as the related Collateral Obligations are elevated pursuant to the terms of the participation agreement.

Furthermore, Issue Date Participation Interests are excluded from the limitations on Participations in the Portfolio Profile Tests. See "Participations, Novations and Assignments" for additional risks involved with participation interests.

5.6 Acquisitions of Collateral Obligations and purchase price for such acquisitions

Although the Collateral Manager is required to determine and use reasonable endeavours in accordance with the Collateral Management Agreement that such obligations satisfy the Eligibility Criteria at the time of entering into a binding commitment to purchase them, it is possible that the obligations may no longer satisfy such Eligibility Criteria on the later settlement of the acquisition thereof due to intervening events. The requirement that the Collateral Manager determines in accordance with the Collateral Management Agreement that the Eligibility Criteria are satisfied applies only at the time that any commitment to purchase a Collateral 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.

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

5.7 The Target Par Amount

The Issuer will, prior to the Issue Date, enter into transactions to purchase Collateral Obligations, the Aggregate Principal Balance of which is to equal approximately €160,149,509.65 from other funds managed by the Collateral Manager and/or Affiliates of the Collateral Manager before the Issue Date. As described above, the Issuer will also enter into transactions on the primary or secondary market for transfer to the Issuer on or before the Issue Date. The Issuer will use the proceeds of the issuance of the Securities to pay any amounts due and payable in respect of the purchase price of Collateral Obligations acquired on or prior to the Issue Date. The requirement that the Eligibility Criteria be satisfied applies only at the time that any commitment to purchase is entered into (provided that Issue Date Collateral Obligations must satisfy the Eligibility Criteria as at the Issue Date). It is possible that the obligations (other than Issue Date Collateral Obligations) may not satisfy such Eligibility Criteria on the later settlement of the acquisition thereof due to intervening events. 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.

As of the Effective Date, the Issuer is required to have acquired, or entered into binding commitments to acquire, Collateral Obligations the Aggregate Principal Balance of which equals or exceeds the Target Par Amount (provided that for the purposes of determining such Aggregate Principal Balance, any repayments or prepayments of Collateral Obligations subsequent to the Issue Date may be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation may be the lower of its Fitch Collateral Value and its Moody's Collateral Value). If the Target Par Amount has not been reached on the Effective Date an Effective Date Rating Event will occur which may in certain circumstances lead to an early redemption of the Securities.

5.8 Considerations Relating to the Initial Investment Period

During the Initial Investment Period, the Collateral Manager on behalf of the Issuer, will seek to acquire additional Collateral Obligations in order to satisfy each of the Coverage Tests, Collateral Quality Tests, Portfolio Profile Tests and Target Par Amount requirement as at the Effective Date (other than in respect of the Interest Coverage Tests, which are required to be satisfied as at the Determination Date preceding the second Payment 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. In addition, the ability of the Issuer to enter into Currency Hedge 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 Hedge Counterparty. To the extent it is not possible to purchase such additional Collateral Obligations, the level of income receivable by the Issuer on the Collateral, and therefore its ability to meet its interest payment obligations under the Securities, may be adversely affected. Such inability to invest may also shorten the weighted average lives of the Securities as it may lead to early redemption of the Securities. To the extent such additional Collateral Obligations are not purchased, the level of income receivable by the Issuer on the Collateral and therefore its ability to meet its interest payment obligations under the Securities, together with the weighted average lives of the Securities, may be adversely affected. Any failure by the Collateral Manager (on behalf of the Issuer) to acquire such additional Collateral Obligations could result in the non-confirmation or downgrade or withdrawal by any Rating Agency of its Initial Rating of any Class of Rated Notes. Such non confirmation, downgrade or withdrawal may result in the redemption of the Rated Notes and therefore reduce the leverage ratio of the Participating Term Certificates to the other Classes of Securities which could adversely affect the level of returns to the holders of the Participating Term Certificates. Any such redemption of the Rated Notes may also adversely affect the risk profile of Classes of Rated Notes in addition to the Participating Term Certificates 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 Rated Notes in accordance with the Note Payment Sequence which bear a lower rate of interest than the remaining Classes of Securities.

5.9 Holders will receive limited disclosure about the Collateral Obligations

Each of the Issuer and the Collateral Manager will not provide the Holders or the Trustee with financial or other information (which may include material non-public information) it receives pursuant to the Collateral Obligations and related documents unless required to do so pursuant to the Trust Deed or the Collateral Management Agreement. The Collateral Manager also will not disclose to any of these parties the contents of any notice it receives pursuant to the Collateral Obligations or related documents unless required to do so pursuant to the Trust Deed or the Collateral Management Agreement. In particular, the Collateral Manager will not have any obligation to keep any of these parties informed as to matters arising in relation to any Collateral Obligations, except as may be required in connection with the regular reports prepared by the Issuer (or the Collateral Administrator on behalf of the Issuer) in accordance with the Trust Deed.

The Holders and the Trustee will not have any right to inspect any records relating to the Collateral Obligations, and the Collateral Manager will not be obligated to disclose any further information or evidence regarding the existence or terms of, or the identity of any Obligor on, any Collateral Obligations, unless (i) specifically required by the Collateral Management Agreement or (ii) following its receipt of a written request from the Trustee, the Collateral Manager in its sole discretion determines that the disclosure of such further information or evidence regarding the existence or terms of, or the identity of any Obligor on, any Collateral Obligation to the Trustee would not be prohibited by applicable law or the underlying instruments relating to such Collateral Obligation, in which case the Collateral Manager will disclose such further information or evidence to the Trustee; *provided that* (a) the Trustee will not disclose such further information or evidence to any third party except (i) to the extent disclosure may be required by law or any governmental or regulatory authority and (ii) to the extent that the Trustee, in its sole discretion, may determine that such disclosure is consistent with its obligations under the Trust Deed. Furthermore, the Collateral Manager may, with respect to any information that it elects to

disclose, demand that Persons receiving such information execute confidentiality agreements before being provided with the information.

5.10 Lender liability considerations and equitable subordination can affect the Issuer's rights with respect to Collateral Obligations

A number of judicial decisions have upheld judgments of borrowers against lending institutions on the basis of various evolving legal theories, collectively termed "lender liability". Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the borrower or has assumed an excessive degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of the Portfolio, the Issuer may be subject to allegations of 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 undercapitalisation 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 shareholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination". Because of the nature of the Portfolio, the Portfolio may be subject to claims of equitable subordination.

Because Affiliates of, or Persons related to, the Collateral Manager may hold equity or other interests in Obligors of Collateral Obligations, the Issuer could be exposed to claims for equitable subordination or lender liability or both based on such equity or other holdings.

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

5.11 Acquisition and Disposition of Collateral Obligations

The estimated net proceeds of the issue of the Securities after payment of fees and expenses payable on or about the Issue Date are expected to be approximately €449,625,000. A portion of such proceeds will be used on the Issue Date to repay the Warehouse Facility and for the purchase of Collateral Obligations or in respect of which the Issuer has otherwise entered into a binding commitment to acquire prior to the Issue Date and to fund the First Period Reserve Account and the Expense Reserve Account. The remaining proceeds shall be retained in the Unused Proceeds Account and used to purchase (or enter into agreements to purchase) additional Collateral Obligations during the Initial Investment Period (as defined in the Conditions). The Collateral Manager's decisions concerning purchases of Collateral Obligations will be influenced by a number of factors, including market conditions and the availability of securities and loans satisfying the Eligibility Criteria, Reinvestment Criteria and the other requirements of the Collateral Management Agreement. The failure or inability of the Collateral Manager to acquire Collateral Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Obligations in a timely manner will adversely affect the returns on the Securities, 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 Obligations in any successive rolling twelve month period, as well as any Exchanged Equity Security and, subject to

the satisfaction of certain conditions, a Credit Risk Obligation, a Defaulted Obligation or a Credit Improved Obligation. Notwithstanding such restrictions and subject to the satisfaction of the conditions set out in the Collateral Management Agreement, sales and purchases by the Collateral Manager of Collateral Obligations could result in losses by the Issuer, which will be borne in the first instance by the holders of the Participating Term Certificates and then by holders of the Rated Notes, beginning with the most junior Class.

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

5.12 Reinvestment risk/uninvested cash balances

To the extent that the Collateral Manager maintains cash balances invested in short-term investments instead of higher yielding loans or bonds, Portfolio income will be reduced which will result in reduced amounts available for payment on the Securities. 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 Securities, especially the Participating Term Certificates. The extent to which cash balances remain uninvested will be subject to a variety of factors, including future market conditions and is difficult to predict.

During the Reinvestment Period, subject to compliance with certain criteria and limitations described herein, the Collateral Manager will have discretion to dispose of certain Collateral Obligations and to reinvest the proceeds thereof in Substitute Collateral Obligations in compliance with the Reinvestment Criteria. In addition, during the Reinvestment Period, to the extent that any Collateral Obligations prepay or mature prior to the Maturity Date, the Collateral Manager will seek to invest the proceeds thereof in Substitute Collateral Obligations, subject to the Reinvestment Criteria. The yield with respect to such Substitute Collateral Obligations will depend, among other factors, on reinvestment rates available at the time, on the availability of investments which satisfy the Reinvestment Criteria and are acceptable to the Collateral Manager, and on market conditions related to high yield securities and bank loans in general. The need to satisfy such Reinvestment Criteria and identify acceptable investments may require the purchase of Collateral Obligations with a lower yield than those replaced, with different characteristics than those replaced (including, but not limited to, coupon, maturity, call features and/or credit quality) or require that such funds be maintained in cash or Eligible Investments pending reinvestment in Substitute Collateral Obligations, which will further reduce the yield of the Adjusted Collateral Principal Amount. Any decrease in the yield on the Adjusted Collateral Principal Amount will have the effect of reducing the amounts available to make distributions on the Securities which will adversely affect cash flows available to make payments on the Securities, especially the most junior Class or Classes of Securities. There can be no assurance that if Collateral Obligations are sold, prepaid, or mature, yields on Collateral Obligations that are eligible for purchase will be at the same levels as those replaced and there can be no assurance that the characteristics of any Substitute Collateral Obligations purchased will be the same as those replaced and there can be no assurance as to the timing of the purchase of any Substitute Collateral Obligations.

The timing of the initial investment of the net proceeds of issue of the Securities 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 the Holders of, and cash flows available to make payments on, the Securities, especially the most junior Class or Classes of Securities. Loans and privately placed high yield securities are not as easily (or as quickly) purchased or sold as publicly traded securities for a variety of reasons, including confidentiality requirements with respect to Obligor information, the customised nature of loan agreements and private syndication. The reduced liquidity and lower volume of trading in loans, in addition to restrictions on investment represented by the Reinvestment Criteria, could result in periods of time during which the Issuer is

not able to fully invest its cash in Collateral Obligations. The longer the period between reinvestment of cash in Collateral Obligations, the greater the adverse impact may be on the aggregate amount of the Interest Proceeds collected and distributed by the Issuer, including on the Securities, especially the most junior Class or Classes of Securities, 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. Secured 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 Obligations which risk will first be borne by holders of the Participating Term Certificates and then by holders of the Rated Notes, beginning with the most junior Class.

The amount of Collateral Obligations owned by the Issuer on the Issue Date, the timing of purchases of additional Collateral Obligations on and after the Issue Date and the scheduled interest payment dates of those Collateral Obligations may have a material impact on collections of Interest Proceeds during the first Due Period, which could affect interest payments on the Rated Notes and the payment of distributions to the Participating Term Certificates on the first Payment Date.

5.13 Loan prepayments may affect the ability of the Issuer to invest and reinvest available funds in appropriate Collateral Obligations

Loans are generally prepayable in whole or in part at any time at the option of the Obligor thereof at par plus accrued unpaid interest thereon. Prepayments on loans may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans 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 during the Reinvestment Period. Any inability of the Issuer to reinvest payments or other proceeds in Collateral Obligations with comparable interest rates that satisfy the Eligibility Criteria specified herein may adversely affect the timing and amount of payments received by the Holders and the yield to maturity of the Rated Notes and the distributions on the Participating Term Certificates. There is no assurance that the Issuer will be able to reinvest proceeds in Collateral Obligations with comparable interest rates at favourable prices that satisfy the Eligibility Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made. The rate of prepayments, amortisation and defaults may be influenced by various factors including:

- changes in Obligor performance and requirements for capital;
- the level of interest rates;
- lack of credit being extended and/or the tightening of credit underwriting standards in the commercial lending industry; and
- the overall economic environment, including any fluctuations in the recovery from the current economic conditions.

The Issuer cannot predict the actual rate of prepayments, accelerated amortisation or defaults which will be experienced with respect to the Collateral Obligations. As a result, the Securities may not be a suitable investment for any investor that requires a regular or predictable schedule of principal payments.

5.14 The Issuer may not be able to acquire Collateral Obligations that satisfy the Eligibility Criteria or the Reinvestment Criteria, as applicable

The Collateral Manager is permitted to purchase Collateral Obligations after the Issue Date as described herein, in accordance with the Eligibility Criteria or the Reinvestment Criteria, as applicable. The ability of the Collateral Manager (on behalf of the Issuer) to acquire Collateral Obligations that satisfy the Eligibility Criteria or the Reinvestment Criteria, as applicable, at the projected prices, ratings, rates of interest and any other applicable characteristics will be subject to market conditions and availability of such Collateral Obligations. Any inability of the Collateral Manager (on behalf of the Issuer) to acquire Collateral Obligations that satisfy the Eligibility Criteria or the Reinvestment Criteria, as applicable, specified herein may adversely affect the timing and amount of payments received by the Holders and the yield to maturity of the Rated Notes and the distributions on the Participating Term Certificates. There is no assurance that the Collateral Manager on behalf of the Issuer will be able to acquire Collateral Obligations that satisfy the Eligibility Criteria or the Reinvestment Criteria, as applicable.

5.15 Characteristics and risks relating to the Portfolio

Characteristics of Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Second Lien Loans and High Yield Bonds

The Portfolio Profile Tests provide that as of the Effective Date, the Collateral Principal Amount must consist of either "not less than" or "not more than" certain specified percentages of particular categories of Collateral Obligations including Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Second Lien Obligations and High Yield Bonds.

Although any particular Senior Loan, Secured Senior Bond, Mezzanine Obligation, Second Lien Loan or High Yield Bond, may share many similar features with other loans and obligations of its type, the actual term of any such obligation will have been a matter of negotiation and will be unique. Any such particular loan or security 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.

Senior Loans, Secured Senior Bonds, High Yield Bonds, Mezzanine Obligations and Second Lien Loans are of a type generally incurred by the Obligors thereunder in connection with highly leveraged transactions, often (although not exclusively) to finance internal growth, pay dividends or other distributions to the equity holders in the Obligor, or finance acquisitions, mergers, and/or share purchases. As a result of the additional debt incurred by the Obligor 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 and Secured Senior Bonds and, in some, but not all cases, High Yield Bonds 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.

Mezzanine Obligations take the form of medium term debt obligations repayable shortly (perhaps six months or one year) after the senior debt 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), they will carry a higher rate of interest to reflect the greater risk of such an obligation not being repaid. Due to the greater risk associated with Mezzanine Obligations as a result of their subordination below senior debt 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.

Investing in Cov-Lite Loans involves certain risks

The Portfolio may consist of Cov-Lite Loans, subject to the Portfolio Profile Tests which provide that not more than 20.0 per cent. of the Collateral Principal Amount may be comprised of Cov-Lite Loans. The Issuer or the Collateral Manager acting on its behalf may purchase Collateral Obligations which are Cov-Lite Loans. Cov-Lite Loans typically do not have maintenance covenants but they usually have incurrence covenants in the same manner as a High Yield Bond. Ownership of Cov-Lite Loans may expose the Issuer to 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 for lenders to trigger a default in respect of such Collateral Obligations. This makes it more likely that any default will only arise under a Cov-Lite Loan at a stage where the relevant Obligor is in a greater degree of financial distress. Such a delay may make any successful restructuring more difficult to achieve and/or result in a greater reduction in the value of the Cov-Lite Loan as a consequence of any restructuring effected in such circumstances.

Security

Secured Senior Loans and Secured Senior Bonds ("**Secured Senior Obligations**") are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred shares 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. Secured Senior Obligations may be in the form of loans or a security, which may present different risks and concerns. Mezzanine Obligations may have the benefit of a second priority charge over such Collateral. Unsecured Senior Loans do not have the benefit of such security. High Yield Bonds are also generally unsecured.

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

Collective Action Clauses

Secured Senior Bonds and High Yield Bonds typically bear interest at a fixed rate. Risks associated with fixed rate obligations are discussed in "*Interest rate risk*" below. Additionally, Secured Senior Bonds and High Yield 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 or High Yield 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 or High Yield Bond may be varied without the consent of the Issuer. See "*Characteristics and risks relating to the Portfolio - Voting Restrictions on Syndicated Loans for Minority Holders*" in respect of the Issuer's interest in syndicated loan facilities.

Rate of Interest

Bonds typically bear interest at a fixed rate. Risks associated with fixed rate obligations are discussed at "*Risk Factors – Relating to the Collateral Obligations - Interest rate risk*" below. The majority of Secured Senior Loans and Mezzanine Obligations that are loan 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 Obligor a choice of one, two, three, six, nine or twelve month interest and rate reset periods.

Loan Fees

The purchaser of an interest in a Secured Senior Loan, Second Lien Loan, Mezzanine Obligation that is a loan obligation or Unsecured Senior Loan may receive certain syndication or participation fees in connection with its purchase. Other fees payable in respect of a Secured Senior Loan, Second Lien Loan, Mezzanine Obligation that is a loan obligation or Unsecured Senior Loan, which are separate from interest payments on such loan, may include facility, commitment, amendment and prepayment fees.

Restrictive Covenants

Secured Senior Loans, Secured Senior Bonds, High Yield Bonds, Mezzanine Obligations and Unsecured Senior Loans also generally provide for restrictive covenants designed to limit the activities of the Obligors thereunder in an effort to protect the rights of lenders or bondholders to receive timely payments of interest on, and repayment of, principal of the obligations. 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 Secured Senior Loan, Mezzanine Obligation that is a loan obligation or Unsecured Senior Loan which is not waived by the lending syndicate is normally an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. However, although any particular Secured Senior Obligation or Mezzanine Obligation may share many similar features with other loans, securities and obligations of its type, the actual terms of any Secured Senior Obligation or Mezzanine Obligation will have been a matter of negotiation and will be unique. Any such particular loan may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees. In addition, Collateral Obligations in the form of floating rate notes are similar in nature to Cov-Lite Loans and typically do not provide for financial covenants and thus, may result in difficulties in triggering a default. See "*Investing in Cov-Lite Loans involves certain risks*". A breach of covenant (after giving effect to any cure period) under a Secured Senior Bond or a High Yield Bond or a Mezzanine Obligation that is a bond which is not waived by the requisite majority of the holders thereof is normally an event of default which may trigger the acceleration of the bonds.

Early Redemption and Prepayment Risk

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par plus accrued and unpaid interest thereon. Secured Senior Bonds and High Yield Bonds, frequently have call or redemption features (with or without a premium or makewhole) that permit the issuer to redeem such obligations prior to their final maturity date.

Prepayments on loans and bonds may be caused by a variety of factors, which are difficult to predict. Accordingly, there exists a risk that loans or bonds purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, Principal Proceeds received upon such a prepayment are subject to reinvestment risk. Any inability of the Issuer to reinvest payments or other proceeds in Collateral Obligations with comparable interest rates that satisfy the Reinvestment Criteria may adversely affect the timing and amount of payments and distributions received by the Holders and the yield to maturity of the Securities. There can be no assurance that the Issuer will be able to reinvest proceeds in Collateral Obligations with comparable interest rates that satisfy the Reinvestment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

Limited liquidity, prepayment and default risk of Secured Senior Loans, Mezzanine Obligations and Unsecured Senior Loans

In order to induce banks and institutional investors to invest in Secured Senior Loans, Mezzanine Obligations that are loan obligations or Unsecured Senior Loans, 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 Secured Senior Loan, Mezzanine Obligation or Unsecured Senior Loan, and the private syndication of the loan, such Secured Senior Loans, Mezzanine Obligations and Unsecured Senior Loans 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. The range of investors for such Secured Senior Loans, Mezzanine Obligations, Unsecured Senior Loans and High Yield Bonds have been predominantly commercial banks and investment banks, The range of investors for such obligations has broadened significantly to include money managers, insurance companies, arbitrageurs, bankruptcy investors and mutual funds seeking increased potential total returns and investment managers of trusts or special purpose companies issuing collateralised bond and loan obligations. As secondary market trading volumes increase, new loans are frequently adopting more standardised documentation to facilitate loan trading which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. This means that such Collateral Obligations will be subject to greater disposal risk if such Collateral Obligations are sold following enforcement of the security over the Collateral or otherwise. The European market for Mezzanine Obligations and Unsecured Senior Loans is also generally less liquid than that for Secured Senior Loans, resulting in increased disposal risk for such obligations.

Limited liquidity, prepayment and default risk of and Secured Senior Bonds

Secured Senior Bonds and High Yield 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 Secured Senior Loans. Additionally, as a consequence of the disclosure and transparency requirements associated with such listing, the information supplied by the Obligors to its debtholders may typically be less than would be provided on a Secured Senior Loan.

Increased risks for Mezzanine Obligations

The fact that Mezzanine Obligations are generally subordinated to any senior 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.

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 Secured 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.

Defaults and recoveries

There is limited historical data available as to the levels of defaults and/or recoveries that may be experienced on Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Second Lien Loans, Unsecured Senior Loans and High Yield Bonds and no assurance can be given as to the levels of default and/or recoveries that may apply to any Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Second Lien Loans, Unsecured Senior Loans and High Yield Bonds purchased by the Issuer. As referred to above, although any particular Secured Senior Loan, Secured Senior Bond, Mezzanine Obligation, Second Lien Loan, Unsecured Senior Loan or High Yield Bond often will share many similar features with other loans and obligations of its type, the actual terms of any particular Secured Senior Loan, Secured Senior Bond, Second Lien Loan or Mezzanine Obligation 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 Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Second Lien Loans, Unsecured Senior Loans and High Yield Bonds 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 is uncertain. Furthermore, the holders of Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Second Lien Loans, Unsecured Senior Loans and High Yield Bonds 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 Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Unsecured Senior Loans and High Yield Bonds therefore may not adequately reflect the risk of future defaults and the ultimate recovery rates.

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial work out 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 whilst the Obligor 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 Obligors 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 Rated Notes or any recovery rate used in the analysis of the Rated Notes by investors in determining whether to purchase the Securities.

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 Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Unsecured Senior Loans and High Yield Bonds will also be affected by the different bankruptcy regimes applicable in different

European jurisdictions and the enforceability of claims against the Obligors thereunder. See "*The Issuer is subject to risks, including the location of its centre of main interest, the appointment of examiners, claims of preferred creditors and floating charges*" below.

Characteristics and risks associated with investing in High Yield Bonds and Unsecured Senior Loans involves certain risks

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 obligations and secured obligations. Depending upon market conditions, there may be a very limited market for High Yield Bonds. High Yield Bonds 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 had previously operated. The lower rating of securities in the high yield sector reflects a greater possibility that adverse changes in the financial condition of the Obligor thereof or general economic conditions (including, for example, a sustained period of rising interest rates, an economic downturn or declining earnings or disruptions in the financial markets) or both may impair the ability of the Obligor to make payments of principal and interest on its debt. Many issuers of High Yield Bonds are highly leveraged, and specific developments affecting such issuers, including reduced cash flow from operations or inability to refinance debt at maturity, may also adversely affect such issuers' ability to meet their debt service obligations. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on the High Yield Bonds in the Portfolio.

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 Securities or by the Rating Agencies in rating the Rated Notes.

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. 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.

Unsecured Senior Loans are also unsecured obligations of the applicable Obligor, may be subordinated to other obligations of the Obligor and generally have greater credit, insolvency and liquidity risk than is typically associated with investment grade obligations and secured obligations. Unsecured Senior Loans will generally have lower rates of recovery than secured obligations following a default. Also, if the insolvency of an Obligor of any Unsecured Senior Loan occurs, the holders of such Unsecured Senior Loan will be considered general, unsecured creditors of the Obligor and will have fewer rights than secured creditors of the Obligor.

Corporate Rescue Loans

The Portfolio Profile Tests provide that not more than 5.0 per cent, of the Collateral Principal Amount may comprise of Corporate Rescue Loans, provided that not more than 1.5 per cent. shall consist of Corporate Rescue Loans from 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 involve additional risks. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Issuer will correctly evaluate the value of the assets securing a Corporate Rescue Loan or the prospects for a successful reorganisation or similar action and accordingly the Issuer could suffer significant losses on its investment 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 may be unsecured, 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. At the time that it is acquired by the Issuer, a Corporate Rescue Loan is also required to be paying interest on a current basis.

Second Lien Loans

The Collateral Obligations may include Second Lien Loans, each of which will be secured by 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 Obligor. In addition, during a bankruptcy of the Obligor, the holder of a Second Lien Loan may be required to give advance consent to (a) any use of cash collateral approved by the first lien creditors; (b) sales of collateral approved by the first lien lenders and the bankruptcy court, so long as the second liens continue to attach to the sale proceeds; and (c) debtor-in-possession financings.

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

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

Bridge Loans

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

Limited Control of Administration and Amendment of Collateral 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 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 Holders will not have any right to compel the Issuer or the Collateral Manager to take or refrain from taking any actions.

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 Securities and/or reduce the likelihood of timely and complete payment of interest on or principal of the Securities.

Collateral Enhancement Obligations

All funds required in respect of the purchase price of any Collateral Enhancement Obligations and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the Balance standing to the credit of the Supplemental Reserve Account at the relevant time. Such Balance shall be comprised of (i) all sums deposited in such account from time to time which comprise interest payable in respect of the Participating Term Certificates which the Collateral Manager, acting on behalf of the Issuer during the Reinvestment Period, determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payment rather than being paid to the Holders of Participating Term Certificates as a Supplemental Reserve Amount subject to the limits set out in the definition thereof; and (ii) the amount of any Reinvestment Amounts contributed by a Reinvesting Holder and deposited into the Supplemental Reserve Account during the Reinvestment Period in accordance with the Conditions and the Trust Deed.

All Collateral Enhancement Obligation Proceeds are required to be deposited in the Principal Account pursuant to Condition 3(j)(i) (*Principal Account*).

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 Supplemental Reserve Account will be sufficient to fund the exercise of any right or option under any Collateral Enhancement Obligation at any time. The ability of the Collateral Manager (acting on behalf of the Issuer) to exercise any rights or options under any Collateral Enhancement Obligation will be dependent upon there being sufficient amounts standing to the credit of the Supplemental Reserve Account to pay the costs of any such exercise. Failure to exercise any such right or option may result in a reduction of the returns to the Holders of Participating Term Certificates (and, potentially, Holders of other Classes).

Rising interest rates may render some Obligors unable to pay interest on their Collateral Obligations

Most of the Collateral Obligations bear interest at floating interest rates. To the extent interest rates increase, periodic interest obligations owed by the related Obligors will also increase. As prevailing interest rates increase, some Obligors may not be able to make the increased interest payments on Collateral Obligations or refinance their balloon and bullet Collateral Obligations, resulting in payment defaults and Defaulted Obligations. Conversely if interest rates decline, Obligors may refinance their Collateral Obligations at lower interest rates which could shorten the average life of the Securities.

Balloon obligations and bullet obligations present refinancing risk

The Portfolio will primarily consist of Collateral Obligations that are either balloon obligations or bullet obligations. Balloon obligations and bullet obligations involve a greater degree of risk than other types of transactions because they are structured to allow for either small (balloon) or no (bullet) principal payments over the term of the loan, requiring the Obligor to make a large final payment upon the maturity of the Collateral Obligation. The ability of such Obligor to make this final payment upon the maturity of the Collateral Obligation typically depends upon its ability either to refinance the Collateral Obligation prior to maturity or to generate sufficient cash flow to repay the Collateral Obligation at maturity. The ability of any Obligor to accomplish any of these goals will be affected by many factors, including the availability of financing at acceptable rates to such Obligor, the financial condition of such Obligor, the marketability of the collateral (if any) securing such Collateral Obligation, the operating history of the related business, tax laws and the prevailing general economic conditions. Consequently, such Obligor may not have the ability to repay the Collateral Obligation at maturity, and the Issuer could lose all or most of the principal of the Collateral Obligation. Given their relative size and limited resources and access to capital, some Obligors may have difficulty in repaying or refinancing their balloon and bullet Collateral Obligation on a timely basis or at all.

Voting Restrictions on Syndicated Loans for Minority Holders

The Issuer will generally purchase each Collateral Obligation in the form of an assignment or novation of, or participation interest in, a debt obligation, which may be under a loan facility to which more than one lender is a party. Such loan facilities are administered for the lenders by a lender or other agent acting as the lead administrator. The terms and conditions of such 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 a Collateral Obligation forming part of 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 Obligations forming part of a loan facility will

maintain the terms and conditions to which the Issuer or a predecessor in interest to the Issuer originally agreed.

5.16 Participations, Novations and Assignments

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

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 Underlying Instrument. 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 Underlying Instrument 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 Underlying Instrument, 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 Underlying Instrument including the right to the benefit of any security granted in respect of the loan interest transferred. The Underlying Instrument usually contains mechanisms for the transfer of the benefit of the loan and the security relating thereto. The efficacy of these mechanisms is rarely tested, if ever, and there is debate amongst counsel in continental jurisdictions over their effectiveness. With regard to some of the Underlying Instrument, 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 Obligor 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 Obligor (and such payments may be co-mingled with other monies not related to such Participation). In purchasing Participations, the Issuer generally will have no right to enforce compliance by the Obligor with the terms of the applicable Underlying Instrument 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 Obligor and the Selling Institution selling the Participation. If an insolvency of the Selling Institution selling a Participation occurs, 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 Obligor and the Issuer may suffer a loss to the extent that the Obligor 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 in the loan, and therefore, may have limited interest in monitoring the terms of the Underlying Instrument and the continuing creditworthiness of the Obligor. 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 Obligor. 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 including the Bivariate Risk Table impose limits on the amount of Collateral Obligations that may comprise Participations as a proportion of the Collateral Principal Amount.

5.17 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. 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 the applicable Hedge Agreement will generally provide for a termination event 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 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 Securities as the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure or currency risk exposure in respect of Non-Euro Obligations for so long as the Issuer has not entered into a replacement Hedge Transaction. See "*Interest rate risk*" and "*Non-Euro Obligations and Currency Hedge 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 on substantially the same terms as the Agency Agreement within 30 calendar days of such withdrawal or downgrade.

The Hedge Agreements also pose risks upon their termination. A Hedge Counterparty may terminate the applicable Hedge Agreements upon the occurrence of certain events of default or termination events thereunder with respect to the Issuer (including, but not limited to, bankruptcy, if any withholding tax is imposed on payments thereunder by or to such Hedge Counterparty, a change in law making the performance of the obligations under such Hedge Agreement unlawful, or the determination to sell or liquidate the Collateral Obligations upon the occurrence of a Note Event of Default under the Trust Deed), and in the case of such early termination of any Hedge Agreement, the Issuer may be required to make a payment to the related Hedge Counterparty. Any amounts that would be required to be paid by the Issuer to enter into replacement Hedge Agreements will reduce amounts available for payments to Holders. In either case, there can be no assurance that the remaining payments on the Collateral Obligations would be sufficient to make payments of interest and principal on the Rated Notes and distributions with respect to the Participating Term Certificates.

The Issuer may terminate a Hedge Agreement upon the occurrence of certain events of default or termination events thereunder with respect to the Hedge Counterparty (including, but not limited to, bankruptcy or the failure of the Hedge Counterparty to make payments to the Issuer under the applicable Hedge Agreement). Even if the Issuer is the terminating party, it may owe a termination payment to the Hedge Counterparty as described in the immediately preceding paragraph. If the Issuer terminated a Hedge Agreement upon the occurrence of a bankruptcy of the applicable Hedge Counterparty, there can be no assurance that termination amounts due and payable to the Hedge Counterparty from the Issuer would be subordinated to payments made to the Holders as required under the Priorities of Payment. Recent decisions in U.S. bankruptcy proceedings have held that subordination provisions similar to those set out in the Priorities of Payment are unenforceable with respect to a bankrupt Hedge Counterparty. In addition, upon the occurrence of a bankruptcy of a Hedge Counterparty, if the Issuer fails to terminate the applicable Hedge Agreement in a timely manner, such Hedge Agreement could be assumed by the bankruptcy estate of such Hedge Counterparty and the Issuer could be required to continue making payments to such Hedge Counterparty, even if such Hedge Counterparty failed to perform its obligations under the applicable Hedge Agreement prior to the assumption. In either case, amounts available for payments to Holders would be reduced and may be materially reduced. See also "*Flip Clauses*" above, in particular in relation to the bankruptcy position under English law.

5.18 Concentration risk

The Issuer will invest in a Portfolio of Collateral Obligations consisting of Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Unsecured Senior Loans and High Yield Bonds. Although no significant concentration with respect to any particular Obligor, industry or country is expected to exist at the Effective Date, the concentration of the Portfolio in any one Obligor would subject the Securities 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 Securities 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*".

5.19 Credit risk

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

5.20 Interest rate risk

It is possible that Collateral 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 Obligations securing the Rated Notes must bear interest on a particular basis, save for the Portfolio Profile Tests which requires that not more than 7.0 per cent. of the Collateral Principal Amount may comprise Fixed Rate Collateral Obligations.

In addition, any payments of principal or interest received in respect of Collateral Obligations and not otherwise reinvested during the Reinvestment Period in Substitute Collateral Obligations will generally be invested in Eligible Investments until shortly before the next Payment Date. There is no requirement that such Eligible Investments bear interest on a particular basis, and the interest rates available for such Eligible Investments are inherently uncertain. As a result of these factors, it is expected that there will be a fixed/floating rate mismatch and/or a floating rate basis mismatch (including in the case of Collateral 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 Securities and the underlying Collateral Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Obligations and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of the applicable floating rate benchmark could adversely affect the ability to make payments on the Securities. In addition, pursuant to the Collateral Management Agreement, the Collateral Manager, acting on behalf of the Issuer, is authorised (but is not obliged) to enter into 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 (other than in the case of a Form Approved Hedge) and subject to satisfaction of the Hedging Condition, discussed in "*Legislative and regulatory actions in the United States and Europe may adversely affect the Issuer and the Securities*" above. However, the Issuer will depend on each Hedge Counterparty to perform its obligations under any Hedge Transaction to which it is a party and if any Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure. Furthermore, if the relevant Hedge Agreement is terminated, the Issuer may be required to make a termination payment to the related Hedge Counterparty (See "*Counterparty Risk*").

Furthermore, the terms of the Hedge Agreements may provide for the ability of the 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 exposure increasing, and may result in the Issuer being required to pay a termination amount to the relevant Hedge Counterparty. See further "*Hedging Arrangements*" below.

Collateral Obligations may pay interest on a semi-annual basis. In addition, some Collateral Obligations permit the Obligor to reset the applicable interest period from quarterly to semi-annual (and vice versa). Interest Amounts are due and payable in respect of the Securities on a semi-annual basis following the occurrence of a Frequency Switch Event (as described below) and on a quarterly basis at all other times. If a significant number of Collateral Obligations pay interest on a semi-annual basis there may be insufficient interest received to make quarterly interest payments on the Securities. In order to mitigate the effects of any such timing mis-match, the Issuer will hold back a portion of the interest received on Collateral Obligations which pay interest less than quarterly in order to make quarterly payments of interest on the Securities ("**Interest Smoothing**") (at all times other than following the occurrence of a Frequency Switch Event when interest on the Securities will switch to semi-annual pay). In addition, to mitigate reset risk, a Frequency Switch Event shall occur if (amongst other things) sufficient Collateral 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 Securities and the Floating Rate Collateral Obligations as the interest rate on such Floating Rate Collateral Obligations may adjust more frequently or less frequently, on different dates and based on different indices as compared to the interest rates on the Securities. 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 Securities. There can be no assurance that the Collateral Obligations and the Eligible Investments will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Securities. There can be no assurance that the Collateral Obligations and Eligible Investments securing the Rated Notes will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Securities or that any particular levels of return will be generated on the Participating Term Certificates.

5.21 Non-Euro Obligations and Currency Hedge Transactions

The Portfolio Profile Tests provide that not more than 30.0 per cent. of the Collateral Principal Amount may comprise Non-Euro Obligations. Subject to the satisfaction of the Hedging Condition and the Portfolio Profile Tests, the Collateral Manager, on behalf of the Issuer, may purchase Non-Euro Obligations, provided that such Non-Euro Obligations otherwise satisfy the Eligibility Criteria. Accordingly fluctuations in exchange rates may lead to the proceeds of the Collateral Obligations being insufficient to pay all amounts due to the respective Classes of Securities. The Collateral Manager (on behalf of the Issuer) is also authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Currency Hedge Transaction.

Notwithstanding that Non-Euro Obligations may have an associated Currency Hedge Transaction which will include currency protection provisions, losses may be incurred due to fluctuations in the Euro exchange rates and in the event of a default by the relevant Currency Hedge Counterparty under any such Currency Hedge Transaction. In addition, fluctuations in Euro exchange rates may result in a decrease in value of the Portfolio for the purposes of sale thereof upon enforcement of the security over it. Furthermore, the terms of the Hedge Agreements may provide for the ability of the 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 a Currency Hedge 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 Currency Hedge Transaction, and may result in the Issuer being required to pay a termination amount to the relevant Hedge 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 ongoing payment obligations under such Currency Hedge Transactions (including any termination payments) may be significant. The payments associated with such hedging arrangements generally rank senior to payments on the Securities.

Defaults, prepayments, trading and other events increase the risk of a mismatch between the Currency Hedge Transactions and the Non-Euro Obligations which may result in losses. In addition, the Collateral Manager may be limited at the time of reinvestment in the choice of Non-Euro Obligations that it is able to purchase on behalf of the Issuer because of the cost of such hedging and due to restrictions in the Collateral Management Agreement with respect to such hedging.

The Issuer will depend on each Hedge Counterparty to perform its obligations under any Currency Hedge Transaction to which it is a party and, if any Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its currency risk exposure. Furthermore, if the relevant Hedge Agreement is terminated, the Issuer may be required to make a termination payment to the related Hedge Counterparty. (See "*Counterparty Risk*").

To the extent that a Currency Hedge Transaction in respect of a Non-Euro Obligation terminates, until a Replacement Currency Hedge Transaction in respect of such Non-Euro Obligation is entered into or such Non-Euro Obligation is sold, the Principal Balance of such Non-Euro Obligation shall be the outstanding principal amount thereof converted to Euro at the Spot Rate multiplied by the applicable Unhedged Obligation Haircut.

5.22 Local Regulatory Requirements in Obligor Jurisdictions

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 interpretative guidance issued by the competent authorities or other authoritative guidance as to what constitutes the conduct of Lending Activities in such jurisdictions.

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

In addition, it should be noted that a number of Continental European jurisdictions operate "debtor friendly" insolvency regimes which would result in delays in payments under Collateral Obligations where obligations thereunder are subject to such regimes, if the insolvency of the relevant Obligor occurs.

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

The Issuer is subject to risks, including the location of its centre of main interest ("**COMI**"). The Issuer has its registered office in The Netherlands. As a result there is a rebuttable presumption that its COMI is in The Netherlands and consequently that any main insolvency proceedings applicable to it would be governed by Dutch law. In the decision by the European Court of Justice ("**ECJ**") in relation to Eurofood IFSC Limited, the ECJ restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in The Netherlands, has only Dutch Managing Directors and is registered for tax in The Netherlands, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in The Netherlands, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in The Netherlands.

6 RELATING TO CERTAIN CONFLICTS OF INTEREST

In general, the transaction described in this Offering Circular will involve various potential and actual conflicts of interest.

Various potential and actual conflicts of interest may arise from the overall investment activity of the Collateral Manager, its clients and its Affiliates, the Rating Agencies, the Initial Purchaser and their respective Affiliates. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

6.1 Collateral Manager

Past performance of Collateral Manager not indicative

The past performance of the Collateral Manager and principals or Affiliates thereof in managing other portfolios or investment vehicles may not be indicative of the results that the Collateral Manager may be able to achieve with the Collateral Obligations. Similarly, the past performance of the Collateral Manager and principals or Affiliates thereof over a particular period may not be

indicative of the results that may occur in future periods. Furthermore, the nature of, and risks associated with, the Issuer's investments may differ from those investments and strategies undertaken historically by the Collateral Manager and principals and Affiliates thereof. There can be no assurance that the Issuer's investments will perform as well as past investments of the Collateral Manager or principals or Affiliates thereof, that the Issuer will be able to avoid losses or that the Issuer will be able to make investments similar to such past investment. In addition, such past investments may have been made utilising a leveraged capital structure and an asset mix and fee arrangements that are different from the anticipated capital structure, asset mix and fee arrangements of the Issuer. Moreover, because the Eligibility Criteria that govern investments in the Collateral Obligations do not govern the principals' investments and investment strategies generally, such investments conducted in accordance with such criteria, and the results they yield, are not directly comparable with, and may differ substantially from, other investments undertaken by the Collateral Manager and principals and Affiliates thereof.

Pursuant to the Collateral Management Agreement, the Collateral Manager will not be liable for any losses or damages resulting from any failure to satisfy its standard of care except to the extent it would be liable (A) by reason of acts or omissions constituting bad faith, fraud, wilful misconduct or gross negligence (such term having the meaning given to it under New York law) in the performance of its duties under the Collateral Management Agreement; or (B) by reason of any information provided by the Collateral Manager for inclusion in this Offering Circular containing any untrue statement of material fact necessary in order to make such statement, in the light of the circumstances in which they were made, not misleading. Investors should note that, for such purpose and notwithstanding that the Securities 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 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 will depend on the managerial expertise available to the Collateral Manager, its Affiliates and its key personnel

The Issuer's investment activities as regards the management of the Portfolio will generally be directed by the Collateral Manager. The Holders will generally not make decisions with respect to the management, disposition or other realisation of any Collateral Obligation, or other decisions regarding the business and affairs of the Issuer. Consequently, the performance of the Portfolio of the Issuer will depend, in large part, on the financial and managerial expertise of the Collateral Manager's investment professionals from time to time. There can be no assurance that such investment professionals will continue to serve in their current positions or continue to be employed by the Collateral Manager. If one or more of the investment professionals of the Collateral Manager were to leave the Collateral Manager, the Collateral Manager would have to reassign responsibilities internally and/or hire one or more replacement employees, and the foregoing could have a material adverse effect on the performance of the Issuer.

The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its Affiliates

The following briefly summarises certain potential and actual conflicts of interest which may arise from the overall investment activity of the Collateral Manager, its clients and its Affiliates, but is not intended to be an exhaustive list of all such conflicts.

The Collateral Manager and its employees, clients and Affiliates may buy additional Securities at any time, from which the Collateral Manager or such employees, clients or Affiliates may derive

revenues and profits in addition to the fees disclosed herein. There will be no restriction on the ability of the Collateral Manager or any Affiliate of the Collateral Manager, any director, officer or employee of such entities or any fund or account for which the Collateral Manager or its Affiliates exercises discretionary voting authority on behalf of such fund or account, the Initial Purchaser, the Collateral Administrator, or any of their respective Affiliates or employees to purchase the Securities (either upon initial issuance or through secondary transfers) and to exercise any voting rights to which such Securities are entitled (except that Collateral Manager Securities (together with CM Non-Voting Notes and/or any CM Non-Voting Exchangeable Notes, if any) will have no voting rights with respect to any vote on (i) any CM Removal Resolution, or (ii) any CM Replacement Resolution (which, in the case of Collateral Manager Securities, shall only apply following the removal of the Collateral Manager after the occurrence of a Collateral Manager Event of Default) and, in each case, such Collateral Manager Securities will be deemed not to be Outstanding in connection with any such vote).

If an Optional Redemption, redemption following a Note Tax Event or an acceleration of the Securities after a Note Event of Default occurs, the Collateral Manager has the right to bid on all or a portion of the Collateral Obligations for its own account, the account of any Affiliate or an account that it manages, subject to the satisfaction of the requirements set forth in the Trust Deed.

The Collateral Manager is entitled to the Senior Management Fee, the Subordinated Management Fee (which it may at its discretion permit a portion of to be paid to one or more of the Participating Term Certificateholders, any of its other Affiliates or accounts or funds managed by it or its Affiliates as described in "*Description of the Collateral Management Agreement – Compensation of the Collateral Manager*" below) and in certain circumstances, the Incentive Management Fee in the priorities set forth herein, subject to the Priorities of Payment as described herein and the availability of funds therefor. By reason of the Incentive Management Fee, the Collateral Manager may have a conflict between its obligation to manage the Portfolio prudently and the financial incentive created by such fees for the Collateral Manager to make investments that are riskier or more aggressive than would be the case in the absence of such fees.

Although the Collateral Manager and certain of its officers and employees will devote such time and effort as may be reasonably required to enable the Collateral Manager to discharge its duties to the Issuer under the Collateral Management Agreement, they will not devote all of their working time to the affairs of the Issuer. As part of their regular business, the Collateral Manager, its Affiliates and their respective officers and employees hold, purchase, sell, trade or take other related actions both for their respective accounts and for the accounts of their respective clients, on a principal or agency basis, with respect to loans, securities and other investments and financial instruments of all types. The Collateral Manager, its Affiliates and their respective officers and employees also provide investment advisory services, among other services. The Collateral Manager, its Affiliates and their respective officers and employees will not be restricted in their performance of any such services or in the types of debt or equity investments which they may make. The Collateral Manager, its Affiliates and their respective officers and employees may have economic interests in or other relationships with issuers in whose obligations or securities or credit exposures the Issuer may invest. In particular, such persons may make and/or hold an investment in an issuer's securities that may be pari passu, senior or junior in ranking to an investment in such issuer's securities made and/or held by the Issuer or in which partners, security holders, officers, directors, agents or employees of such persons serve on boards of directors or otherwise have ongoing relationships. Each of such ownership and other relationships may result in securities laws restrictions on transactions in such securities by the Issuer and otherwise create conflicts of interest for the Issuer. In such instances, the Collateral Manager, its Affiliates and their respective officers and employees may in their discretion make investment recommendations and effect investment decisions that may be the same as or different from those made with respect to the Issuer's investments. In connection with any such activities described above, the Collateral Manager, its Affiliates and their respective officers and employees may hold, purchase, sell, trade or take other related actions in securities or investments of a type that may be suitable to be

included as Collateral Obligations. The Collateral Manager, its Affiliates and their respective officers and employees will not be required to offer such securities or investments to the Issuer or provide notice of such activities to the Issuer.

The Collateral Manager, its clients, its partners, its members or their employees and their Affiliates ("**Related Entities**") have invested and may continue to invest in debt obligations that would also be appropriate as Collateral Obligations and may purchase or sell securities and loans for or on behalf of themselves and their managed accounts without purchasing or selling such securities or loans for the Issuer and may purchase or sell securities or loans for the Issuer without purchasing or selling such securities or loans for themselves or their managed accounts. Neither the Collateral Manager nor any Related Entity has any duty, in making or maintaining such investments, to act in a way that is favourable to the Issuer or to offer any such opportunity to the Issuer. The investment policies, fee arrangements and other circumstances applicable to such other parties may vary from those applicable to the Issuer. The Collateral Manager and its Related Entities may also have or establish relationships with companies whose debt obligations are Collateral Obligations and may now or in the future own or seek to acquire equity securities or debt obligations issued by issuers of Collateral Obligations, and such debt obligations may have interests different from or adverse to the debt obligations that are Collateral Obligations. The Collateral Manager and/or any Related Entity may in the future organise and manage one or more entities with objectives similar to or different from those of the Issuer. In addition, the Collateral Manager and any of its Related Entities may serve as a general partner and/or manager of limited partnerships or other entities organised to issue notes or certificates, similar to the Securities, which are secured by high-yield debt securities, loans and other investments, or may manage third party accounts which invest in high-yield debt securities, loans and other investments. The Collateral Manager and/or any Related Entity may also provide other advisory services for a fee to issuers whose debt obligations or other securities are Collateral Obligations, and neither the Holders nor the Issuer shall have any right to such fees. In connection with the foregoing activities the Collateral Manager and/or any Related Entity may from time to time come into possession of material non-public information that limits the ability of the Collateral Manager to effect a transaction for the Issuer, and the Issuer's investments may be constrained as a consequence of the Collateral Manager's inability to use such information for advisory purposes or otherwise to effect transactions that otherwise may have been initiated on behalf of its clients, including the Issuer.

Furthermore, the Collateral Manager's ability to buy obligations (on behalf of the Issuer) for inclusion in the Portfolio or sell obligations which are part of the Portfolio may be restricted by limitations contained in the Collateral Management Agreement and the Trust Deed. Accordingly, during certain periods or in certain specified circumstances, the Collateral Manager (on behalf of the Issuer) may be unable to buy or sell obligations or to take other actions that the Collateral Manager might consider in the best interest of the Issuer and the Holders. The Collateral Manager and any of its Affiliates may engage in any other business and furnish investment management and advisory services to others, which may include, without limitation, serving as investment manager for, investing in, lending to, or being Affiliated with, other entities organised to issue collateralised bond or debt obligations secured by securities such as the Securities and other trusts and pooled investment vehicles that acquire interests in, provide financing to, or otherwise deal with securities issued by, issuers that would be suitable investments for the Issuer. The Collateral Manager will be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, that may be the same as or different from those effected on behalf of the Issuer, and the Collateral Manager may furnish investment management and advisory services to others who may have investment policies similar to those followed by the Collateral Manager with respect to the Issuer and who may own securities which are the same type as the Collateral Obligations.

The Collateral Manager may, to the extent permitted under applicable law, and subject to compliance with the applicable provisions of the Collateral Management Agreement, effect client cross-transactions where the Collateral Manager causes a transaction to be effected between the

Issuer and other account(s) advised by it or any of its Affiliates. In addition, with the prior authorisation of the Issuer, which can be revoked at any time, the Collateral Manager may enter into agency cross-transactions where it or any of its Affiliates acts as broker for the Issuer and for the other party to the transaction, to the extent permitted under applicable law and subject to compliance with the applicable provisions of the Collateral Management Agreement, in which case any such Affiliate will receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction. In addition, subject to compliance with the applicable provisions of the Collateral Management Agreement, the Collateral Manager may, to the extent permitted by applicable law, effect transactions between the Issuer and the Collateral Manager and/or any of its Affiliates as principal.

The Collateral Manager may make recommendations and effect transactions on behalf of its Related Entities which differ from those effected with respect to the Collateral Obligations. The Collateral Manager may often be seeking simultaneously to purchase or sell investments for the Issuer, itself and similar entities or other investment accounts for which it serves as Collateral Manager or for Related Entities, and the Collateral Manager will have the discretion to apportion such purchases or sales among such entities. Prior to the Issue Date, the Collateral Manager may effect acquisitions of Collateral Obligations or enter into binding commitments to purchase Collateral Obligations on behalf of the Issuer, from funds or other CLOs in relation to which it or any of its Affiliates, may be the investment manager or may exercise investment discretion in relation thereto. The Collateral Manager cannot assure equal treatment across its investment clients. When the Collateral Manager determines that it would be appropriate for the Issuer and one or more Related Entities to participate in an investment opportunity or sell an investment, the Collateral Manager will seek to execute orders for all of the participating investment accounts, including the Issuer and its own account, on an equitable basis. If the Collateral Manager has determined to invest or sell at the same time for more than one of the Related Entities, the Collateral Manager will generally place combined orders for all such Related Entities simultaneously and if all such orders are not filled at the same price, it will use reasonable efforts to allocate such purchases and sales in an equitable manner and in accordance with applicable law. Similarly, if an order on behalf of more than one Related Entity cannot be fully executed under prevailing market conditions, the Collateral Manager will allocate the investments traded among the Issuer and different Related Entities on a basis that it considers equitable. Situations may occur where the Issuer could be disadvantaged because of the investment activities conducted by the Collateral Manager for the Related Entities.

The Collateral Manager may participate in creditors' committees with respect to the bankruptcy, restructuring or work out of issuers of Collateral Obligations. In such circumstances, the Collateral Manager may take positions on behalf of itself or Related Entities that are adverse to the interests of the Issuer in the Collateral Obligations. The Collateral Manager will be entitled to receive any steering committee fees (except any fees received in connection with the extension of the maturity of a Defaulted Obligation or a reduction in the outstanding principal balance of a Defaulted Obligation) received in connection with the work out or restructuring of any Defaulted Obligations or Collateral Obligations.

The Trust Deed places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Obligations, and the Collateral Manager is required to comply with these restrictions contained in the Trust Deed. Accordingly, during certain periods or in certain circumstances, the Collateral Manager may be unable to buy or sell Collateral Obligations or to take other actions which it might consider in the best interests of the Issuer and the Holders, as a result of the restrictions set forth in the Trust Deed.

With respect to any vote on (i) any CM Removal Resolution, or (ii) following the removal of the Collateral Manager after the occurrence of a Collateral Manager Event of Default, any CM Replacement Resolution, any Securities held by the Collateral Manager, an Affiliate thereof or any funds or accounts managed by the Collateral Manager or one of its Affiliates as to which the

Collateral Manager or one of its Affiliates has discretionary voting authority shall be disregarded and deemed not to be Outstanding in connection with such vote.

Any investment in Securities by the Collateral Manager or one or more Affiliates of the Collateral Manager or accounts managed by the Collateral Manager as to which the Collateral Manager has discretionary voting authority may give the Collateral Manager an incentive (and, depending on the degree of concentration of such noteholding in a particular Class or Classes, the ability) to take actions that may vary from the interests of the holders of other Securities (including, for example, the ability to effect an optional redemption of the Rated Notes in whole following the expiry of the Non-Call Period in accordance with Condition 7(b) (*Optional Redemption*)). The Collateral Manager and/or its Affiliates may purchase up to the entire Class of Participating Term Certificates issued by the Issuer on the Issue Date.

The Collateral Manager may discuss the composition of the Issuer's Collateral Obligations or other matters relating to the transaction with its Affiliates or clients purchasing Securities or with third party investors. Some of those third party investors may have interests adverse to those of the Holders of Securities and may take a short position (for example, by buying protection under a credit default swap) relating to any obligations that are Collateral Obligations. There can be no assurance that any such discussions will not influence the Collateral Manager's decisions. 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 Secured Notes from time to time.

As further described in "*Risk Factors – Relating to the Collateral Obligations – The Issuer will acquire certain Collateral Obligations prior to the Issue Date*", prior to the Issue Date, the Issuer may acquire, or enter into binding commitments to acquire, Collateral Obligations and other assets comprising the Portfolio from funds or other CLOs in relation to which the Collateral Manager, or any of its Affiliates, may be the investment manager or may exercise investment discretion in relation thereto. If any such acquisitions or commitments were to take place, the relevant transactions would be executed at a mid-market price obtained from, to the extent possible, an external pricing service selected by the Collateral Manager in accordance with its internal pricing procedures. Where such external pricing service is not readily available or is not considered reliable, alternative quotations will be sought (although, ultimately if there are no available or reliable external quotations, a determination will be made by the Collateral Manager of a reasonable fair value, which must be approved by the pricing committee of the Collateral Manager), all in accordance with the Collateral Manager's internal pricing policy procedures.

The Collateral Manager will (in its capacity as Retention Holder) on the Issue Date subscribe for and undertake to hold on an ongoing basis and for so long as any Securities are outstanding no less than five per cent. of the Principal Amount Outstanding of each Class of Securities, provided that if a successor Collateral Manager is appointed or the Collateral Manager is to assign, delegate or transfer any rights or obligations to another Person pursuant to the Collateral Management Agreement, then the Collateral Manager may sell the Retention Securities (at a price agreed by the parties to such sale) provided that such sale would not cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements. In addition, save as provided in the Collateral Management Agreement, no resignation or removal of the Collateral Manager shall be effective until a successor Collateral Manager has been appointed subject to and in accordance with the terms of the Collateral Management Agreement).

The Collateral Manager, in its capacity as Retention Holder, intends to enter into financing arrangements in respect of the Retention Securities, as to which see "*Regulatory Initiatives – Retention Financing*" above.

The Retention Holder also has approval rights in relation to additional issuances of Securities (see Condition 17 (*Additional Issuances*)) and the Collateral Manager, in its capacity as Retention Holder, has no duty or obligation to consider the interests of any other Holders when exercising

such rights nor will it owe any fiduciary duties to the Issuer, the Holders or any other party. No assurance can be given as to whether the Retention Holder will exercise its rights under the Conditions in a manner favourable to the Holders of any Class of Securities.

The Collateral Manager and/or its Affiliates may, by virtue of the relationships described above or otherwise, at the date hereof or at any time hereafter, be in possession of information regarding certain of the obligors of Collateral Obligations and their respective Affiliates, that is or may be material in the context of the Securities and that is or may not be known to the general public. None of the Collateral Manager or its Affiliates has any obligation, and the offering of the Securities will not create any obligation on their part, to disclose to any purchaser of the Securities any such relationship or information, whether or not confidential.

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

Moody's and Fitch have been engaged by the Issuer to provide their ratings on the Rated Notes. Either Rating Agency may have a conflict of interest where, 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.

6.3 The Issuer will be subject to various conflicts of interest involving the Initial Purchaser.

Each of the Initial Purchaser and its Affiliates (the "**DB 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 DB Parties have been involved (together with the Collateral Manager) in the formulation of the Portfolio Profile Tests, Coverage Tests, Collateral Quality Tests, Reinvestment Overcollateralisation Test, Priorities of Payment and other criteria in and provisions of the Trust Deed and the Collateral Management Agreement. These may be influenced by discussions that the Initial Purchaser may have or have had with investors and there is no assurance that investors would agree with the views of one another or that the resulting modifications will not adversely affect the performance of the Securities or any particular Class of Securities. An Affiliate of the Initial Purchaser was also the Warehouse Debt Provider under the Warehouse Arrangements. See further "*The Warehouse Arrangements*" above.

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

The DB Parties may retain a certain proportion of the Securities in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Securities by these parties may adversely affect the liquidity of the Securities and may also affect the prices of the Securities in the primary or secondary market. The DB 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 DB Parties provide also include financing and, as such, the DB Parties intend to provide financing to the Collateral Manager and/or any of its Affiliates and such financing will directly or indirectly involve financing of the Retention Securities. In the case of such financing, the DB Parties will receive security over assets of the

Collateral Manager and/or its Affiliates, including security over the Retention Securities, resulting in the DB Parties having enforcement rights and remedies which will include the right to appropriate or sell the Retention Securities. When exercising its rights in connection with such financing, the relevant DB Party may seek to enforce its security over all or some of the Retention Securities and take possession or sell such Retention Securities to a third party. In such circumstances, the Collateral Manager may not be able to comply with its undertakings related to the Retention Requirements which may (i) have adverse implications for investors who are subject to the Retention Requirements including, without limitation, the imposition of penal capital charges on the Securities held by such investors and (ii) negatively affect the liquidity and, correspondingly, the value of the Securities (see further "*Regulatory Initiatives – Retention Financing*" above). In addition, the DB Parties may derive fees and other revenues from the arrangement and provision of such financing. The DB Parties may have positions in and will likely have placed, underwritten or syndicated certain of the Collateral Obligations (or other obligations of the obligors of Collateral Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Collateral Obligations. In addition, the DB Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Obligations. Each of the DB Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the holders of the Securities or any other party including, without limitation, in deciding whether to enforce its security granted in connection with any financing. Moreover, the Issuer may invest in loans of obligors Affiliated with the DB Parties or in which one or more DB Parties hold an equity, participation or other interest. The purchase, holding or sale of such Collateral Obligations by the Issuer may increase the profitability of the DB Party own investments in such obligors.

From time to time the Collateral Manager will purchase from or sell Collateral Obligations through or to the DB Parties (including a portion of the Collateral Obligations to be purchased on or prior to the Issue Date) and one or more DB Parties may act as the selling institution with respect to participation interests and/or as a counterparty under a Hedge Agreement. The DB Parties may act as placement agent and/or initial purchaser or investment manager in other transactions involving issues of collateralised loan 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 Securities.

The DB Parties do not disclose specific trading positions or their hedging strategies, including whether they are in long or short positions in any Securities or obligations referred to in this Offering Circular except where required in accordance with the applicable law. Nonetheless, in the ordinary course of business, DB Parties and employees or customers of the DB Parties may actively trade in and/or otherwise hold long or short positions in the Securities, Collateral Obligations and Eligible Investments or enter into transactions similar to referencing the Securities, Collateral Obligations and Eligible Investments or the obligors thereof for their own accounts and for the accounts of their customers. If a DB Party becomes an owner of any of the Securities, 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 Securities. To the extent a DB Party makes a market in the Securities (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 Securities. 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 Securities. The price at which a DB Party may be willing to purchase Securities, 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 Securities and significantly lower than the price at which it may be willing to sell the Securities.

TERMS AND CONDITIONS

The following are the terms and conditions of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates, substantially in the form in which they will be endorsed on such Securities if issued in definitive certificated form, which will be incorporated by reference into the Global Certificates of each Class representing the Securities, subject to the provisions of such Global Certificates. See "Form of the Securities".

The issue of €272,250,000 Class A Senior Secured Floating Rate Notes due 2030 (the "**Class A Notes**"), €40,500,000 Class B-1 Senior Secured Floating Rate Notes due 2030 (the "**Class B-1 Notes**"), €10,000,000 Class B-2 Senior Secured Fixed Rate Notes due 2030 (the "**Class B-2 Notes**" and, together with the Class B-1 Notes, "**Class B Notes**"), €23,750,000 Class C Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class C Notes**"), €23,750,000 Class D Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class D Notes**"), €29,500,000 Class E Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class E Notes**"), €14,500,000 Class F Senior Secured Deferrable Floating Rate Notes due 2030 (the "**Class F Notes**"), (the Class F Notes, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Rated Notes**"), €44,500,000 Participating Term Certificates due 2046 (the "**Participating Term Certificates**", together with the Rated Notes, the "**Securities**") of ALME Loan Funding IV B.V. (the "**Issuer**") was authorised by resolution of the board of Managing Directors of the Issuer dated 11 January 2016. The Securities are constituted by a trust deed (together with any other security document entered into in respect of the Rated Notes (including the Euroclear Security Agreement), the "**Trust Deed**") dated on or about 14 January 2016 between (amongst others) the Issuer and U.S. Bank Trustees Limited in its capacity as trustee (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) for the Holders.

These terms and conditions of the Securities (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 Securities). The following agreements have been entered into in relation to the Securities: (a) an agency agreement dated on or about 14 January 2016 (the "**Agency Agreement**") between, amongst others, the Issuer, U.S. Bank National Association, as registrar (the "**Registrar**", which term shall include any successor or substitute registrar appointed pursuant to the terms of the Agency Agreement), U.S. Bank National Association as transfer agent and U.S. paying agent (respectively, "**Transfer Agent**" and "**U.S. Paying Agent**" which terms shall include any successor or substitute transfer agent (and together with the Registrar, the "**Transfer Agents**", each a "**Transfer Agent**") or U.S. paying agent, respectively, appointed pursuant to the terms of the Agency Agreement), Elavon Financial Services Limited, acting through its UK branch, as principal paying agent, account bank, calculation agent, exchange agent and custodian (respectively, "**Principal Paying Agent**", "**Account Bank**", "**Calculation Agent**", "**Exchange Agent**" and "**Custodian**" which terms shall include any successor or substitute principal paying agent, account bank, calculation agent, exchange agent or custodian, respectively, appointed pursuant to the terms of the Agency Agreement) and the Trustee; (b) a Collateral Management Agreement dated on or about 14 January 2016 (the "**Collateral Management Agreement**") between Apollo Management International 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, Elavon Financial Services Limited as collateral administrator and information agent (the "**Collateral Administrator**" and "**Information Agent**" which term shall include any successor collateral administrator appointed pursuant to the terms of the Collateral Management Agreement or successor information agent) and the Trustee; (c) a management agreement between the Issuer and the Managing Directors entered into on or about 14 January 2016 (the "**Issuer Management Agreement**"). 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 Herikerbergweg 238, 1101 CM Amsterdam, the Netherlands) and at the specified offices of the Transfer Agents for the time being. The holders of each Class of Securities 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.

1 Definitions

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

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

"**Accrual Period**" means, in respect of each Class of Securities, the period from and including the Issue Date (or in the case of a Class issued in connection with a Refinancing, the Business Day upon which such Refinancing occurs) to, but excluding, the first Payment Date (or in the case of a Class issued in connection with a Refinancing, the first Payment Date following such Refinancing) and each successive period from and including each Payment Date to, but excluding, the following Payment Date (or, if earlier, the Business Day upon which the relevant Class is subject to a Refinancing).

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

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

(b) unpaid accrued interest purchased with Principal Proceeds (other than with respect to Defaulted Obligations); *plus*

(c) without duplication, the amounts on deposit in the Principal Account (including Eligible Investments therein which represent Principal Proceeds) and the Unused Proceeds Account (to the extent such amounts have not been designated for transfer to the Interest Account by the Collateral Manager in accordance with paragraph (4) of Condition 3(j)(iii) (*Unused Proceeds Account*)) (including Eligible Investments therein representing such amounts); *plus*

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

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

(f) the Excess CCC/Caa Adjustment Amount,

provided that:

(i) with respect to any Collateral Obligation that satisfies more than one of the definitions of Defaulted Obligation, Discount Obligation, Deferring Security and/or that falls into the Excess CCC/Caa Adjustment Amount, such Collateral

Obligation shall, for the purposes of this definition, be treated as belonging to the category of Collateral Obligations which results in the lowest Adjusted Collateral Principal Amount on any date of determination; and

(ii) in respect of paragraph (b) above, any non-Euro amounts received will be converted into Euro (i) in the case of each Non-Euro Obligation which is subject to a Currency Hedge Agreement at the applicable Currency Hedge Transaction Exchange Rate for the related Currency Hedge Transaction and (ii) each Non-Euro Obligation which is not subject to a Currency Hedge Agreement at the applicable Spot Rate.

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority including, other than where expressly set out below, any VAT thereon (and to the extent such amounts relate to costs and expenses, such VAT to be limited to irrecoverable VAT) (whether payable to that party or to the relevant tax authority):

(a) on a *pro rata* basis and *pari passu*, to (i) the Agents pursuant to the Agency Agreement, (ii) the Collateral Administrator and the Information Agent pursuant to the Collateral Management Agreement and (iii) the Managing Directors pursuant to the Issuer Management Agreement (in each case including, for the avoidance of doubt, any amounts payable by way of indemnity);

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

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

(ii) to each Reporting Delegate pursuant to any Reporting Delegation Agreement (including, for the avoidance of doubt, any amounts payable by way of indemnity);

(iii) to the independent certified public accountants, auditors, agents and counsel of the Issuer, including amounts payable to the Agents (other than the Custodian) pursuant to the Agency Agreement;

(iv) to the Collateral Manager pursuant to the Collateral Management Agreement (including indemnities provided for therein), but excluding any Collateral Management Fees or any value added tax payable thereon;

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

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

(vii) to any other Person in respect of any other fees or expenses contemplated in the Conditions and in the Transaction Documents or any other documents delivered pursuant to or in connection with the issue and sale of the Securities, including, without limitation, in respect of fees and expenses incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for purposes of Holder tax jurisdictions (including information

reasonably available to the Issuer that a U.S. holder reasonably requests to satisfy filing requirements under the qualified electing fund election or controlled foreign corporation rules);

(viii) to each member of an Independent Review Party (as defined in the Collateral Management Agreement) for any reasonable fees, expenses and indemnity payments properly incurred and relating to services provided by such Independent Review Party, in each case established at the request of and on terms and conditions agreed to by the Collateral Manager in accordance with the Collateral Management Agreement;

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

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

(xi) 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);

(xii) to any Hedge Counterparty (if any) in relation to costs incurred in relation to the transfer of any collateral to or from the relevant Counterparty Downgrade Collateral Account; and

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

(xiv) to any other Person (including the Collateral Manager) in connection with satisfying the requirements of Rule 17g-5, EMIR, CRA3, AIFMD or the Dodd-Frank Act;

(xv) on a *pro rata* and *pari passu* basis to any other Person (including the Collateral Manager) in connection with satisfying the Retention Requirements including any costs or fees related to additional due diligence or reporting requirements;

(xvi) to the payment of FATCA Compliance Costs; and

(xvii) to the payment of 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);

(c) on a *pro rata* basis, any Refinancing Costs and costs associated with a Non-Consenting Amendment Redemption; and

(d) on a *pro rata* basis payment of any indemnities payable to any Person as contemplated in these Conditions or the Transaction Documents to the extent not already paid pursuant to the paragraphs above,

provided that:

(x) the Collateral Manager may direct the payment of any Rating Agency fees set out in (b)(i) above other than in the order required by paragraph (b) above 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;

(y) the Collateral Manager may direct a payment other than in the order required by paragraph (b) above if in its reasonable judgement, it determines that such payment is required to ensure the delivery of certain accounting services and reports; and

(z) 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 (b) above in priority to the other amounts referred to in paragraph (b) above, provided that in each case no such direction of the Collateral Manager may be made without the prior written consent of the Initial Purchaser where the direction contemplated would affect payments to be made to the Initial Purchaser.

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

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

(b) any 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:

(a) control of a Person shall mean the power, direct or indirect, (A) to vote more than 50.0 per cent. of the securities having ordinary voting power for the election of directors of such Person, or (B) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise;

(b) the Issuer shall not be deemed to be an "Affiliate" of the Collateral Manager;

(c) no Apollo Client or any of its portfolio companies shall be deemed to be an "Affiliate" of the Collateral Manager or any of its members solely by reason of "controlling" or being "controlled by" or "under common control with" any of the foregoing; and

(d) "**Apollo Client**" shall mean any (i) investment fund, partnership, limited liability company, corporation or similar collective investment vehicle, (ii) client or the assets or investments for the account of any client, and/or (iii) separate account for which, in each case, the Collateral Manager or its members or one or more of their respective Affiliates acts as general partner, manager, managing member, investment adviser, sponsor or in a similar capacity.

"**Agent**" means each of the Registrar, the Principal Paying Agent, the Transfer Agent, the U.S. Paying Agent, the Exchange Agent, the Calculation Agent, the Account Bank, the Collateral Administrator, the Information Agent and the Custodian, 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 Principal Balance**" means the aggregate of the Principal Balances of all the Collateral Obligations and when used with respect to some portion of the Collateral Obligations,

means the aggregate of the Principal Balances of such portion of the Collateral Obligations, in each case, as at the date of determination.

"**AIFM**" means an EEA manager of an alternative investment fund.

"**AIFMD**" means the European Union 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 implemented or delegated regulations, technical standards and guidance related thereto.

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

"**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 under the Trust Deed to discharge any of its functions or to advise it in relation thereto.

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

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

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

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

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

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

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

provided that:

(i) to the extent that a Currency Hedge Agreement is in place, amounts standing to the credit of the Currency Account shall be converted into Euro at the relevant Currency Hedge Transaction Exchange Rate;

(ii) to the extent that no Currency Hedge Agreement is in place, any balance which is denominated in a currency other than Euro shall be converted into Euro at the Spot Rate; and

(iii) in the event that a default as to payment of principal and/or interest has occurred and is continuing (disregarding any grace periods provided for pursuant to the terms thereof) in respect of any Eligible Investment or any obligation of the obligor thereunder which is senior or equal in right of payment to such Eligible Investment such Eligible Investment shall have a value equal to the lesser of its Fitch Collateral Value and its Moody's Collateral Value (determined as if such Eligible Investment were a Collateral Obligation).

"**Base Currency**" means, in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, the currency in which the commitment under such Revolving Obligation or Delayed Drawdown Collateral Obligation is determined in accordance with the Underlying Instruments thereof.

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

"**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 Dublin, London and New York (other than a Saturday or a Sunday); and

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

"**Caa Obligations**" means all Collateral Obligations, excluding Defaulted Obligations, with a Moody's Rating of "Caa1" or lower.

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

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

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

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

provided that:

(i) in determining the Collateral Principal Amount for the purposes of paragraph (a) and (b) above, each Defaulted Obligation shall be deemed to have a Principal Balance equal to zero; and

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

"**Class A CM Non-Voting Exchangeable Notes**" means the Class A Notes in the form of CM Non-Voting Exchangeable 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 Holders**" 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 scheduled interest payments due on the Class A Notes and the Class B Notes. For the purposes of calculating the Class A/B Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A 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 120.0 per cent.

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

"**Class A/B Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class A/B Par Value Ratio is at least equal to 130.43 per cent.

"**Class B-1 CM Non-Voting Exchangeable Notes**" means the Class B-1 Notes in the form of CM Non-Voting Exchangeable Notes.

"**Class B-1 CM Non-Voting Notes**" means the Class B-1 Notes in the form of CM Non-Voting Notes.

"**Class B-1 CM Voting Notes**" means the Class B-1 Notes in the form of CM Voting Notes.

"**Class B-2 CM Non-Voting Exchangeable Notes**" means the Class B-2 Notes in the form of CM Non-Voting Exchangeable Notes.

"**Class B-2 CM Non-Voting Notes**" means the Class B-2 Notes in the form of CM Non-Voting Notes.

"**Class B-2 CM Voting Notes**" means the Class B-2 Notes in the form of CM Voting Notes.

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

"**Class C CM Non-Voting Exchangeable Notes**" means the Class C Notes in the form of CM Non-Voting Exchangeable 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 Holders**" means the holders of any Class C Notes from time to time.

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

"**Class C Interest Coverage Ratio**" means as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A Notes, the Class B Notes and the Class C Notes. For the purposes of calculating the Class C Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A 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 110.0 per cent.

"**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 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 122.87 per cent.

"**Class D CM Non-Voting Exchangeable Notes**" means the Class D Notes in the form of CM Non-Voting Exchangeable 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 Holders**" means the holders of any Class D Notes from time to time.

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

"**Class D Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest

payments due on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. For the purposes of calculating the Class D Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A 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 105.0 per cent.

"**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 115.54 per cent.

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

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

"**Class E Interest Coverage Ratio**" means, as of 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 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. For the purposes of calculating the Class E Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A 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.

"**Class E 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 E Interest Coverage Ratio is at least equal to 101.0 per cent.

"**Class E Par Value Ratio**" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, 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 and after the Effective Date and which will be satisfied on such Measurement Date if the Class E Par Value Ratio is at least equal to 107.57 per cent.

"**Class F Holders**" means the holders of any Class F Notes from time to time.

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

"**Class F Par Value Test**" means the test which will apply as of any Measurement Date on and after the expiry of the Reinvestment Period and which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least equal to 104.63 per cent.

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

(a) the Class A Notes;

(b) the Class B-1 Notes;

(c) the Class B-2 Notes;

(d) the Class C Notes;

(e) the Class D Notes;

(f) the Class E Notes;

(g) the Class F Notes; and

(h) the Participating Term Certificates,

and "**Class of Holders**", "**Class of Rated Notes**" and "**Class**" shall be construed accordingly. Notwithstanding that (a) the Class A CM Voting Notes, Class A CM Non-Voting Exchangeable Notes and the Class A CM Non-Voting Notes are in the same Class; (b) the Class B-1 CM Voting Notes, Class B-1 CM Non-Voting Exchangeable Notes and the Class B-1 CM Non-Voting Notes are in the same Class; (c) the Class B-2 CM Voting Notes, Class B-2 CM Non-Voting Exchangeable Notes and the Class B-2 CM Non-Voting Notes are in the same Class; (d) the Class C CM Voting Notes, Class C CM Non-Voting Exchangeable Notes and the Class C CM Non-Voting Notes are in the same Class; and (e) the Class D CM Voting Notes, Class D CM Non-Voting Exchangeable Notes and the Class D CM 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 and, instead, the CM Voting Notes shall be treated as the relevant Class solely for such purpose.

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

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

"**Closing Date**" means the Issue Date.

"**CM Non-Voting Exchangeable Notes**" means Securities 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 CM Voting Notes only in connection with the transfer of such Rated Notes to an entity that is not an Affiliate of the transferor.

"**CM Non-Voting Notes**" means Securities 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 Non-Voting Exchangeable Notes at any time.

"**CM Removal Resolution**" means any Resolution, vote, written direction or consent of the Holders in relation to the removal of the Collateral Manager in accordance with the Collateral Management Agreement following the occurrence of a Collateral Manager Event of Default (other than pursuant to paragraph (vii) of the definition thereof), or the waiver or modification of any of any event constituting a Collateral Manager Event of Default.

"**CM Replacement Resolution**" means any Resolution, vote, written direction or consent of the Holders in relation to the appointment of a successor Collateral Manager or any assignment or delegation 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 Holders are entitled to vote.

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

"**Collateral**" means the property, assets and rights described in Condition 4(a) (*Security*) which are charged and assigned to the Trustee from time to time for the benefit of the Secured Parties pursuant to the Trust Deed and the Euroclear Security Agreement.

"**Collateral Acquisition Agreements**" means each of the agreements entered into by the Issuer in relation to the purchase by the Issuer of Collateral Obligations from time to time.

"**Collateral Enhancement Obligation**" means any warrant or equity security, excluding Exchanged Equity Securities, but including without limitation, warrants relating to Mezzanine Obligations and any equity security received upon conversion or exchange of, or exercise of an option under, or otherwise in respect of a Collateral Obligation; or any warrant or equity security purchased as part of a unit with a Collateral Obligation (but in all cases, excluding, for the avoidance of doubt, the Collateral Obligation), in each case, the acquisition of which will not result in the imposition of any present or future, actual or contingent liabilities or obligations on the Issuer other than those which may arise at its option provided that no Collateral Enhancement Obligation may be, or be exchangeable into, a Dutch Ineligible Security.

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

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

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

"**Collateral Manager Securities**" means any Securities owned by the Collateral Manager, an Affiliate thereof, or any account, fund, client or portfolio established and controlled by the Collateral Manager or an Affiliate thereof or for which the Collateral Manager or an Affiliate

thereof acts as the investment adviser or with respect to which the Collateral Manager or an Affiliate thereof exercises discretionary control thereover.

"**Collateral Manager Tax Event**" means that:

(a) the Issuer has become subject to any United Kingdom tax liability on a net income basis where the amount of such tax liability (determined as at the date upon which the Issuer becomes subject to such liability) is either (i) (when added to any such tax liability that remains outstanding as at the date of determination) in excess of €75,000 in any twelve month period or (ii) in a sufficient amount such that the Class F Par Value Test would not be satisfied if calculated assuming payment by the Issuer of such tax liability; and

(b) the Collateral Manager has not (i) changed the location from which it provides investment management services under the terms of the Collateral Management Agreement so as to remedy the circumstances of such event; or (ii) otherwise remedied or eliminated the occurrence of such event, in each case, within 90 days of the date that the Collateral Manager first becomes aware of a Collateral Manager Tax Event, in each case, provided that such 90 day period shall be extended by a further 90 days if the Collateral Manager has notified the Issuer and the Trustee before the end of the first 90 day period that it expects to have changed the place from which it provides investment management services under the terms of the Collateral Management Agreement so as to remedy or that it is otherwise able to remedy or eliminate the circumstances giving rise to such Collateral Manager Tax Event.

"**Collateral 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 at the time that the Collateral Manager on behalf of the Issuer entered into a binding commitment to purchase the relevant obligation and, in the case of an Issue Date Collateral Obligation, on the Issue Date. References to Collateral Obligations shall include Non-Euro Obligations but shall not include Collateral Enhancement Obligations, Eligible Investments or Exchanged Equity Securities. For the purposes solely of calculations of the Collateral Management Fees, the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test:

(a) Collateral Obligations in respect of which the Issuer (or the Collateral Manager on behalf of the Issuer) has entered into a binding commitment to purchase but which have not yet settled shall be included as Collateral Obligations at all times as if such purchase had been completed;

(b) Collateral Obligations in respect of which the Issuer (or the Collateral Manager on behalf of the Issuer) has entered into a binding commitment to sell but which have not yet settled shall be excluded as Collateral Obligations at all times as if such sale had been completed; and

(c) a Restructured Obligation shall only constitute a Collateral Obligation if it satisfies the Restructured Obligation Criteria on the applicable Restructuring Date.

The failure of any obligation to satisfy the Eligibility Criteria at any time after the Issuer or the Collateral Manager on behalf of the Issuer has entered into a binding agreement to purchase it, shall not cause such obligation to cease to constitute a Collateral Obligation unless it is an Issue Date Collateral Obligation which does not satisfy the Eligibility Criteria on the Issue Date.

"**Collateral Obligation Stated Maturity**" means, with respect to any Collateral Obligation or Eligible Investment, the date specified in such obligation as the fixed date on which the final payment or repayment of principal of such obligation is due and payable.

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

(a) the Aggregate Principal Balance of all Collateral Obligations, provided however, for the purpose of calculating the Aggregate Principal Balance for the purposes only of the Portfolio Profile Tests, the Collateral Quality Tests and the Note Event of Default in Condition 10(a)(iv), other than to the extent expressly specified otherwise, the Principal Balance of each Defaulted Obligation shall be excluded;

(b) for the purpose solely of calculating the Collateral Management Fees, the aggregate amount of all unpaid accrued interest purchased with Principal Proceeds (other than with respect to Defaulted Obligations);

(c) the Balances standing to the credit of the Principal Account (and any Eligible Investments therein which represent Principal Proceeds) and the Unused Proceeds Account (to the extent such amounts have not been designated for transfer to the Interest Account by the Collateral Manager in accordance with paragraph (4) of Condition 3(j)(iii) (*Unused Proceeds Account*)) (including Eligible Investments therein representing such amounts) (excluding, for the avoidance of doubt, any interest accrued on Eligible Investments), *provided that*, for the purpose solely of calculating the Collateral Management Fees, the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test:

(i) Principal Proceeds to be used to purchase Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase the relevant Collateral Obligations but such purchase(s) have not yet settled shall be excluded from the Balances in the calculation of the Collateral Principal Amount as if such purchase had been completed; and

(ii) Principal Proceeds to be received from Collateral Obligations in respect of which the Issuer has entered into a binding commitment to sell the relevant Collateral Obligations but such sale(s) have not yet settled, shall be included in the Balances in the calculation of the Collateral Principal Amount as if such sale had been completed.

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

(a) so long as any of the Rated Notes rated by Fitch are Outstanding:

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

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

(b) so long as any of the Rated Notes rated by Moody's are Outstanding:

(i) the Moody's Minimum Diversity Test;

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

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

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

(i) the Minimum Weighted Average Floating Spread Test; and

(ii) the Weighted Average Life Test,

each as defined in the Collateral Management Agreement.

"**Collateral Tax Event**" means, as at the date of determination, as a result of the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final), interest, discount or premium payments due from the Obligors of any Collateral Obligations (or from Selling Institutions in the case of Participations) in relation to any Due Period to the Issuer becoming properly subject to the imposition of home jurisdiction or foreign direct or withholding tax (other than where such tax is compensated for by a "gross up" provision or indemnity in the terms of the Collateral 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 tax on an after tax basis) so that the aggregate amount of such direct or withholding tax on all Collateral Obligations in relation to such Due Period is equal to or in excess of 6.0 per cent. of the aggregate interest, discount or premium payments due (for the avoidance of doubt, excluding any additional payments arising as a result of the operation of any gross up or tax indemnity provision) on all Collateral Obligations in relation to such Due Period.

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

"**Commitment Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Obligation, the maximum aggregate outstanding principal amount (whether at the time funded or unfunded) of advances or other extensions of credit at any one time outstanding that the Issuer could be required to make to the Obligor under the Underlying Instruments relating thereto or to a funding bank in connection with any ancillary facilities related thereto.

"**Controlling Class**" means:

(a) the Class A Notes; or

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

(ii) prior to 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, CM Non-Voting Exchangeable Notes and/or (in the case of a CM Removal Resolution only) Collateral Manager Securities,

the Class B Notes; or

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

(ii) prior to redemption and payment in full of the Class A Notes and/or 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 Class B Notes are held in the form of CM Non-Voting Notes, CM Non-Voting Exchangeable Notes and/or (in the case of a CM Removal Resolution only) Collateral Manager Securities,

the Class C Notes; or

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

(ii) prior to redemption and payment in full of the Class A Notes, the Class B Notes and/or 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, Class B Notes and Class C Notes are held in the form of CM Non-Voting Notes, CM Non-Voting Exchangeable Notes and/or (in the case of a CM Removal Resolution only) Collateral Manager Securities,

the Class D Notes; or

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

(ii) prior to redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and/or 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 are held in the form of CM Non-Voting Notes, CM Non-Voting Exchangeable Notes and/or (in the case of a CM Removal Resolution only) Collateral Manager Securities,

the Class E Notes; or

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

(ii) prior to redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and/or Class E 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, the Class D Notes and the Class E Notes are held in the form of CM Non-Voting Notes, CM Non-Voting Exchangeable Notes and/or (in the case of a CM Removal Resolution only) Collateral Manager Securities,

the Class F Notes; or

(g) **(i)** following redemption and payment in full of all of the Rated Notes; or

(ii) prior to redemption and payment in full of all of the Rated 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, the Class D Notes, the Class E Notes and the Class F Notes are held in the form of CM Non-Voting Notes, CM Non-Voting Exchangeable Notes and/or (in the case of a CM Removal Resolution only) Collateral Manager Securities,

the Participating Term Certificates,

provided that, solely in connection with a CM Removal Resolution or a CM Replacement Resolution, no Securities held in the form of (i) CM Non-Voting Exchangeable Notes, (ii) CM Non-Voting Notes or (iii) Collateral Manager Securities (only in the case of a CM Removal Resolution or a CM Replacement Resolution (following the removal of the Collateral Manager

after the occurrence of a Collateral Manager Event of Default)) shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of such CM Removal Resolution or such CM Replacement Resolution or (C) be counted for the purposes of determining a quorum or the result in respect of such CM Removal Resolution or such CM Replacement Resolution.

"**Controlling Person**" means any person (other than a Benefit Plan Investor) that has discretionary authority or control over the assets of the Issuer or who provides investment advice for a fee (direct or indirect) with respect to such assets, and any "affiliate" of any such person. An "affiliate" for the purposes of this definition means a person directly, or indirectly, through one or more intermediaries, controlling, controlled by or under common control with such person, and control means the power to exercise a controlling influence over the management or policies of such person (other than an individual).

"**Corporate Rescue Loan**" shall mean any interest in a loan or financing facility that is acquired directly by way of assignment 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 and;

(i) which is paying interest on a current basis;

(ii) 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:

(A) 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;

(B) 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;

(C) 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

(D) 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 (and (A) the Issuer has received written confirmation from Moody's that the acquisition of such Corporate Rescue Loan will not result in a qualification, downgrade or withdrawal of the then current ratings of Rated Notes or (B) such Corporate Rescue Loan has a rating from Moody's of at least Caa1 and a Market Value of at least 80.0 per cent. or a rating of at least Caa2 and a Market Value of at least 85.0 per cent.);

(iii) which has a Moody's Rating (provided that such Moody's Rating can only be determined pursuant to paragraph (a) of the definition of "Moody's Rating");

(iv) which if such Corporate Rescue Loan is rated Caa1 or Caa2, is not on watch for possible downgrade by Moody's; and

(v) which has had its rating confirmed by Moody's since the time of the most recent filing of any petition or proceeding in bankruptcy by the Corporate Rescue Loan obligor; or

(b) is a credit facility or other advance made available to a company or group in a restructuring or insolvency process with main proceedings outside of the United States which constitutes the most senior secured obligations of the entity which is the borrower thereof and either:

(i) ranks at least pari passu in all respects with the other senior unsecured debt of the borrower, provided that such facility is entitled to recover proceeds of enforcement of security shared with the other senior secured indebtedness (e.g. bonds) of the borrower and its subsidiaries in priority to all such other senior secured indebtedness; or

(ii) achieves priority over other senior secured obligations of the borrower otherwise than through the grant of security, such as pursuant to the operation of applicable insolvency legislation (including as an expense of the restructuring or insolvency process) or other applicable law.

"**Counterparty Downgrade Collateral**" means any cash and/or securities delivered to the Issuer as collateral for the obligations of a Hedge Counterparty under a Hedge Transaction.

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

"**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, the Class E Par Value Test, the Class E Interest Coverage Test and the Class F Par Value Test.

"**CRA3**" means Regulation of the European Parliament and of the European Council amending Regulation EC1060/2009 on credit rating agencies (as the same may be amended from time to time and including any implementing or delegated regulation, technical standards and guidance related thereto).

"**Credit Improved Obligation**" means any Collateral Obligation which, in the Collateral Manager's reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events), has significantly improved in credit quality after it was acquired by the Issuer; provided that during a Restricted Trading Period or following the expiry of the Reinvestment Period, a Collateral Obligation will qualify as a Credit Improved Obligation only if: (i) the Credit Improved Obligation Criteria are satisfied with respect to such Collateral Obligation; or (ii) the Controlling Class acting by Ordinary Resolution votes to treat such Collateral Obligation as a Credit Improved Obligation.

"**Credit Improved Obligation Criteria**" means the criteria that will be met in respect of a Collateral Obligation if any of the following apply to such Collateral Obligation, as determined by the Collateral Manager in its reasonable discretion:

(a) if such Collateral Obligation is a loan obligation, or floating rate note, the price of such loan obligation or such 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 obligation to the proposed sale date by a percentage either at least 0.25 per cent. more positive, or 0.25 per cent. less negative, as the case may be, than the percentage change in the average price of the applicable Eligible Loan Index selected by the Collateral Manager over the same period;

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

(c) if such Collateral Obligation is a loan obligation, the spread over the applicable reference rate for such Collateral Obligation has been decreased in accordance with the underlying Collateral Obligation 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 with a spread (prior to such decrease) less than or equal to 2.0 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation with a spread (prior to such decrease) greater than 2.0 per cent. but less than or equal to 4.0 per cent.) or (3) 0.50 per cent. or more (in the case of a loan obligation with a spread (prior to such decrease) greater than 4.0 per cent.) due, in each case, to an improvement in the Obligor's financial ratios or financial results;

(d) it has a projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as estimated by the Collateral Manager) of the Obligor of such Collateral Obligation that is expected to be more than 1.15 times the current year's projected cash flow interest coverage ratio;

(e) the Obligor of such Collateral Obligation has shown improved financial results since the published financial reports first produced after it was purchased by the Issuer;

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

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

(h) if such Collateral Obligation is a loan or a bond, the proceeds received with respect to its disposition (excluding such proceeds that constitute Interest Proceeds) of such loan or bond would be at least 100.50 per cent. of its purchase price;

(i) if such Collateral Obligation is a loan or floating rate note, the price of such loan or note changed during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either at least 0.50 per cent. more positive, or at least 0.50 per cent. less negative, as the case may be, than the percentage change in any Eligible Loan Index selected by the Collateral Manager over the same period;

(j) if such Collateral Obligation is a loan, the spread over the applicable reference rate for such Collateral Obligation has been decreased in accordance with the underlying Collateral Obligation since the date of acquisition; or

(k) with respect to Fixed Rate Collateral Obligations, there has been a decrease in the difference between its yield compared to the yield on the German government Bund security having the same maturity as such Collateral Obligation of more than 7.5 per cent. since the date of purchase.

"**Credit Risk Criteria**" means the criteria that will be met in respect of a Collateral Obligation if any of the following apply to such Collateral Obligation, as determined by the Collateral Manager in its reasonable discretion:

(a) if such Collateral Obligation is a loan obligation or floating rate note, the price of such Collateral Obligation has changed during the period from the date on which the Issuer entered into a binding commitment to purchase such Collateral Obligation to the proposed date the Issuer intends to enter into a binding commitment to sell such Collateral 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 Loans, Second Lien Loans or Mezzanine Obligations, either at least 0.5 per cent. more negative or at least 0.5 per cent. less positive, in each case, than the percentage change in the average price of an Eligible Loan Index selected by the Collateral Manager over the same period;

(b) such Collateral Obligation has been downgraded or put on a watch list for possible downgrade or on negative outlook by either of the Rating Agencies since the date on which such Collateral Obligation was acquired by the Issuer;

(c) if such Collateral Obligation is a loan or bond, the Market Value (expressed as a percentage of par) of such Collateral Obligation has decreased by at least 0.50 per cent. of the price paid by the Issuer for such Collateral Obligation;

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

(e) if such Collateral Obligation is a loan or floating rate note, the spread over the applicable reference rate for such Collateral Obligation has been increased in accordance with the underlying Collateral Obligation since the date of acquisition;

(f) with respect to Fixed Rate Collateral Obligations, an increase since the date of purchase of more than 7.5 per cent. in the difference between the yield on such Collateral Obligation and the yield on the German government Bund security having the same maturity as such Collateral Obligation; or

(g) if such Collateral Obligation has a projected cash flow interest coverage ratio (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) of the Obligor of such Collateral Obligation of less than 1.00 or that is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio.

"**Credit Risk Obligation**" means any Collateral Obligation that, in the Collateral Manager's reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events), has a significant risk of declining in credit quality or price; provided that at any time during a Restricted Trading Period or following the expiry of the Reinvestment Period, a Collateral Obligation will qualify as a Credit Risk Obligation for purposes of sales of Collateral

Obligations only if, (i) the Credit Risk Criteria are satisfied with respect to such Collateral Obligation or (ii) the Controlling Class by ordinary resolution votes to treat such Collateral Obligation as a Credit Risk Obligation.

"**CRR**" means Regulation No 575/2013 of the European Parliament and of the Council (as amended from time to time and as implemented by Member States of the European Union) together with any implemented or delegated regulations, technical standards and guidance related thereto.

"**CRR Investment Firm**" means an "investment firm" for the purposes of the CRR.

"**CRR Retention Requirement**" means Articles 404-410 (inclusive) of the CRR, together with any guidance published in relation thereto by the European Banking Authority including any regulatory and/or implementing technical standards.

"**Currency Account**" means the accounts in the name of the Issuer held with the Account Bank in the United Kingdom and in any event outside of The Netherlands which shall comprise separate accounts denominated in the relevant currencies of Non-Euro Obligations, into which amounts received in respect of Non-Euro Obligations shall be paid and out of which amounts payable to a Currency Hedge Counterparty pursuant to any Currency Hedge Transaction shall be paid.

"**Currency Hedge Agreement**" means each 1992 or 2002 (as applicable) ISDA Master Agreement (Multicurrency-Cross Border) (or such other ISDA pro forma Master Agreement as may be published by ISDA from time to time) and the schedule relating thereto which is entered into between the Issuer and a Currency Hedge Counterparty in order to hedge exchange rate risk arising in connection with any Non-Euro Obligation, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each confirmation entered into thereunder from time to time in respect of a Currency Hedge Transaction, as amended or supplemented from time to time, and including any Replacement Currency Hedge Agreement entered into in replacement thereof.

"**Currency Hedge Counterparty**" means any financial institution with which the Issuer has (pursuant to, and in accordance with, the terms of the Collateral Management Agreement) entered into a Currency Hedge Agreement or any permitted successor or assignee thereof pursuant to the terms of such Currency Hedge Agreement which, in each case, satisfies the applicable Ratings Requirements upon the date of entry into such agreement (or in respect of which Rating Agency Confirmation has been obtained on such date) and provided always that such financial institution has the regulatory capacity as a matter of Dutch law to enter into derivatives transactions with Dutch residents.

"**Currency Hedge Issuer Termination Payment**" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination or modification of the applicable Currency Hedge Agreement in whole or one or more Currency Hedge Transactions thereunder, in whole or part.

"**Currency Hedge Transaction**" means, in respect of each Non-Euro Obligation, the cross-currency transaction entered into in respect thereof under a Currency Hedge Agreement.

"**Currency Hedge Transaction Exchange Rate**" means the rate of exchange set out in the relevant Currency Hedge Transaction.

"**Current Pay Obligation**" means any Collateral Obligation (other than a Corporate Rescue Loan) that would otherwise be treated as a Defaulted Obligation but as to which no payments are due and payable that are unpaid and with respect to which the Collateral Manager believes, in its reasonable business judgment, that:

(a) the Obligor of such Collateral Obligation will continue to make scheduled payments of interest thereon in cash and will pay the principal thereof in cash by maturity or as otherwise contractually due;

(b) if the Obligor is subject to a bankruptcy or insolvency proceedings, a bankruptcy court has authorised the payment of interest and principal payments when due thereunder;

(c) the Collateral Obligation has a Market Value of at least 80.0 per cent. of its current Principal Balance; and

(d) if any Rated Notes are then rated by Moody's:

(i) the Collateral Obligation has a Moody's Rating of at least "Caa1"; or

(ii) the Collateral Obligation has a Moody's Rating of "Caa2" and its Market Value is at least 85.0 per cent. of its Principal Balance (Market Value being determined without taking into account subparagraph (e) of the definition of Market Value).

"**Custody Account**" means the custody account or accounts held and administered in 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 Currency Hedge Termination Payment**" means any amount payable, including any due and unpaid scheduled amounts thereunder, by the Issuer to a Currency Hedge Counterparty upon termination of a Currency Hedge Transaction in respect of which the Currency Hedge Counterparty is a Defaulting Hedge Counterparty.

"**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 a Defaulted Currency Hedge Termination Payment or a Defaulted Interest Rate Hedge Termination Payment.

"**Defaulted Interest Rate Hedge Termination Payment**" means any amount payable, including any due and unpaid scheduled amounts thereunder, by the Issuer to an Interest Rate Hedge Counterparty upon termination of an Interest Rate Hedge Transaction in respect of which the Interest Rate Hedge Counterparty is a Defaulting Hedge Counterparty.

"**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 (x) the principal amount of such Mezzanine Obligation outstanding immediately prior to receipt of the first of such amounts and (y) any Purchased Accrued Interest relating thereto; and

(b) all deferred interest paid in respect of each such Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation minus any Purchased Accrued Interest relating thereto.

"**Defaulted Obligation**" means a Collateral Obligation as determined by the Collateral Manager using reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events):

(a) in respect of which there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto or waiver or forbearance thereof, provided that in the case of any Collateral Obligation in respect of which the Collateral Manager has confirmed to the Issuer in writing that, to the knowledge of the Collateral Manager, such default has resulted from non credit-related causes, such Collateral Obligation shall not constitute a "Defaulted Obligation" for the greater of five Business Days or seven calendar days (but in no case beyond the passage of 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 (i) any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such Collateral Obligation, whether initiated under the Obligor's local law or otherwise and, to the knowledge of the Collateral Manager, such proceedings have not been stayed or dismissed or (ii) the Issuer or others have instituted proceedings to have the Obligor adjudicated as bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed or such Obligor has filed for protection under Chapter 11 of the United States Bankruptcy Code;

(c) in respect of which a Responsible Officer of the Collateral Manager knows the Obligor thereunder is in default as to payment of principal and/or interest on another of its obligations (and such default has not been cured), which ranks at least pari passu with the Collateral Obligation in right of payment, without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (other than in the case of a default that, in the Collateral Manager's reasonable judgment (as certified in writing to the Issuer), 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 (x) the Collateral Obligation shall constitute a Defaulted Obligation under this paragraph (c) only until, to the knowledge of the Collateral Manager, such acceleration has been rescinded and (y) both the Collateral Obligation and such other debt obligation are full recourse obligations of the applicable Obligor;

(d) which (i) has a Moody's Rating of "Ca" or "C" (or below); or (ii) has a Fitch Rating of "CC" (or below) or "RD", or, in either case, had such rating immediately prior to it being withdrawn by Moody's or Fitch, as applicable;

(e) which ranks pari passu in right of payment as to the payment of principal and/or interest to another obligation of the same Obligor which has (i) a Moody's Rating of "Ca" or "C" (or below); or (ii) has a Fitch Rating of "CC" (or below) or "RD" (in each case, excluding Current Pay Obligations and Corporate Rescue Loans) or, in either case, had such rating immediately prior to it being withdrawn by Moody's or Fitch, as applicable provided that both the Collateral Obligation and such other obligation are full recourse obligations of the applicable Obligor or secured by the same collateral;

(f) which is a Participation in a loan with respect to which the Selling Institution has (x) a Fitch Rating of "CC" (or below) or "RD" or had such rating immediately before such rating was withdrawn or (y) a Moody's Rating of "D" or had such rating immediately before such rating was withdrawn or (z) is a Participation in a loan with respect to which the Selling Institution has defaulted in any respect in the performance of any of its payment obligations under that Participation;

(g) which is a Participation, the obligation which is the subject of such Participation would constitute a Defaulted Obligation if the Issuer had a direct interest therein;

(h) which the Collateral Manager, acting on behalf of the Issuer, determines in its reasonable commercial judgment should be treated as a Defaulted Obligation; or

(i) if the Obligor thereof offers holders of such Collateral Obligation a new security, obligation or package of securities or obligations that amount to a diminished financial obligation (such as preferred or common stock, or debt with a lower coupon or par amount) of such Obligor and in the reasonable business judgement of the Collateral Manager, such offer has the apparent purpose of helping the Obligor avoid default; provided, however, such obligation will cease to be a Defaulted Obligation under this paragraph 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 Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (i) above if such Collateral Obligation (or, in the case of a Participation, the underlying Collateral Obligation) is a Current Pay Obligation (provided that the aggregate Principal Balance of Current Pay Obligations exceeding 5.0 per cent. of the Collateral Principal Amount will be treated as Defaulted Obligations and, provided further, that in determining which of the Current Pay Obligations are to be treated as Defaulted Obligations under this proviso, the Current Pay Obligations with the lowest Market Value expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination shall be deemed to constitute the excess);

(ii) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (h) above if such Collateral Obligation (or, in the case of a Participation, the underlying obligation) is a Corporate Rescue Loan (provided that the aggregate principal balance of Corporate Rescue Loans exceeding 5.0 per cent. of the Collateral Principal Amount will be treated as Defaulted Obligations); and

(iii) any Collateral Obligation shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of "Defaulted Obligation".

"**Defaulted Obligation Excess Amounts**" means in respect of a Defaulted Obligation, the greater of (i) zero and (ii) the aggregate of all 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 the Principal Balance of such Defaulted Obligation (including Purchased Accrued Interest) outstanding immediately prior to receipt of the first of such amounts.

"**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 Investment Management Amounts**" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Deferred Subordinated Investment Management Amounts**" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Deferring Security**" means a PIK Security that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon: (i) with respect to Collateral Obligations that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive accrual periods or one year; and (ii) with respect to Collateral Obligations that have a Moody's Rating of "Ba1" or below, for the shorter of one accrual period or six consecutive months, which deferred capitalised interest has not, as of the date of determination, been paid in cash.

"**Definitive Certificate**" means a certificate representing one or more Securities in definitive, fully registered, form.

"**Delayed Drawdown Collateral Obligation**" means a Collateral Obligation that: (a) requires the Issuer to make one or more future advances to the borrower under the Underlying Instruments relating thereto; (b) specifies a maximum amount that can be borrowed; and (c) does not permit the re-borrowing of any amount previously repaid; but any such Collateral Obligation will be a Delayed Drawdown Collateral Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"**Determination Date**" means the last Business Day of each Due Period, or in the event of any redemption of the Securities, following the occurrence of a Note Event of Default, eight Business Days prior to the applicable Redemption Date.

"**Discount Obligation**" means any Collateral Obligation that is not a Swapped Non-Discount Obligation and that the Collateral Manager determines:

(a) in the case of a Floating Rate Collateral Obligation or an interest (including a Participation) in any Floating Rate Collateral Obligation, is acquired by the Issuer for a purchase price that is lower than 80.0 per cent. of the Principal Balance of such Collateral Obligation (or, if such interest has a Moody's Rating below "B3", such interest is acquired by the Issuer for a purchase price of less than 85.0 per cent. of its Principal Balance); provided that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of par) of such Collateral Obligation, as determined (by a third party and not the Collateral Manager) for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 90.0 per cent. of the Principal Balance of such Collateral Obligation;

(b) in the case of any Collateral Obligation that is a Fixed Rate Collateral Obligation or an interest in a Fixed Rate Collateral Obligation, is acquired by the Issuer for a purchase price that is lower than 75.0 per cent. of the Principal Balance of such Collateral Obligation (or, if such interest has a Moody's Rating below "B3", such interest is acquired by the Issuer for a purchase price of less than 80.0 per cent. of its Principal Balance); provided that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of par) of such Collateral Obligation, as determined (by a third party and not the Collateral Manager) for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 85.0 per cent. of the Principal Balance of such Collateral Obligation; or

(c) is acquired by the Issuer for a purchase price of less than 100 per cent. if designated by the Collateral Manager as a Discount Obligation in its sole discretion,

provided that if such interest is a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, the purchase price of such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation for such purpose shall include an amount equal to the Unfunded Amount of such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation which is required to be deposited in the Unfunded Revolver Reserve Account.

"**Distribution**" means any payment of principal or interest or any dividend or premium or other amount (including any proceeds of sale) or asset paid or delivered on or in respect of any Collateral Obligation, any Collateral Enhancement Obligation, any Eligible Investment or any Exchanged Equity Security, as applicable.

"**Distribution Amounts**" has the meaning given thereto in Condition 3(c) (*Priorities of Payment*).

"**Dodd Frank Act**" means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 21 July 2010 together with any implemented or delegated rules, regulations and guidance related thereto and as may be amended, replaced or supplemented from time to time.

"**Domicile**" or "**Domiciled**" means with respect to any Obligor with respect to a Collateral Obligation:

(a) except as provided in clause (b) or (c) below, its country of organisation or incorporation; or

(b) the jurisdiction and the country in which, in the Collateral Manager's reasonable judgment, a substantial portion of such Obligor's operations are located or from which a substantial portion of its revenue is derived, in each case directly or through subsidiaries (which shall be any jurisdiction and country known at the time of designation by the Collateral Manager to be the source of the largest portion of revenues, if any, of such Obligor); or

(c) at the election of the Collateral Manager, notwithstanding paragraph (a) and (b) above, the jurisdiction and the country in which, in the Collateral Manager's reasonable determination, the relevant Obligor is treated as being resident for the purposes of income taxation.

"**Due Period**" means, with respect to any Payment Date, the period commencing on and including the day immediately following the eighth Business Day prior to the preceding Payment Date (or on the Issue Date, in the case of the Due Period relating to the first Payment Date) and ending on and including the eighth Business Day prior to such Payment Date (or, in the case of the Due Period applicable to the Payment Date which is the Redemption Date (in respect of a redemption in whole) of any Securities, ending on and including the Business Day preceding such Payment Date).

"**Dutch Ineligible Securities"** means:

(a) all securities or interests in securities which are bearer instruments (*effecten aan toonder*) physically located in The Netherlands or registered shares (*aandelen op naam*) in a Netherlands corporate entity where the Issuer owns such bearer instruments or registered shares directly and in its own name;

(b) all securities or interests in securities, the purchase or acquisition of which by or on behalf of the Issuer would cause the breach of applicable selling or transfer restrictions or of

applicable Dutch laws relating to the offering of securities or of collective investment schemes;

(c) shares representing 5.0 per cent. or more of the nominal paid up share capital of or the voting rights in a corporate entity;

(d) obligations or instruments which are convertible into or exchangeable for shares, rights to acquire shares or derivatives referring to shares, where the shares underlying such obligations, instruments, rights or derivatives, alone or together with any shares held at any time by the Issuer, represent 5.0 per cent. or more of the nominal paid up share capital of or the voting rights in a corporate entity; or

(e) obligations or instruments which are convertible into or exchangeable for any security falling under paragraph (a) above.

"**Effective Date**" means the earlier of:

(a) the date designated for such purpose by the Collateral Manager by written notice to the Trustee, the Issuer, the Rating Agencies and the Collateral Administrator pursuant to the Collateral Management Agreement, subject to the Effective Date Determination Requirements having been satisfied; and

(b) the date that is six months from the Issue Date.

"**Effective Date Determination Requirements**" means, as at the Effective Date, each of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests (save for the Class F Par Value Test and the Interest Coverage Tests) and the Reinvestment Overcollateralisation Test being satisfied on such date, and the Issuer having acquired or having entered into binding commitments to acquire Collateral Obligations the Aggregate Principal Balance of which equals or exceeds the Target Par Amount by such date (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Obligations subsequent to the Issue Date and not subsequently reinvested shall be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its Fitch Collateral Value and its Moody's Collateral Value).

"**Effective Date Moody's Condition**" means a condition that will be satisfied if:

(a) the Issuer is provided with an accountant's certificate recalculating and comparing each element of the Effective Date Report; and

(b) Moody's is provided with the Effective Date Report.

"**Effective Date Rating Event**" means:

(a) 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 either:

(i) the failure by the Collateral Manager (acting on behalf of the Issuer) to present a Rating Confirmation Plan to the Rating Agencies; or

(ii) the Collateral Manager (acting on behalf of the Issuer) does present a Rating Confirmation Plan to the Rating Agencies but Rating Agency Confirmation is not received for the Rating Confirmation Plan; or

(b) the Effective Date Moody's Condition not being satisfied and following a request therefor from the Collateral Manager after the Effective Date, Rating Agency Confirmation from Moody's not having been received,

provided that any downgrade or withdrawal of any of the Initial Ratings of the 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.

"**Electronic Resolution**" means any Resolution of the Holders passed by way of consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee), as described in Condition 14 (*Meetings of Holders, Modification, Waiver and Substitution*) and as further described in, and as 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 Obligation acquired by the Collateral Manager (on behalf of the Issuer) at the time of entering into a binding commitment to acquire such obligation and in the case of Issue Date Collateral Obligations, the Issue Date.

"**Eligible Bond Index**" means Credit Suisse Western European High Yield Index or any other index subject to Rating Agency Confirmation from Moody's.

"**Eligible Investments**" means any investment denominated in Euro that is one or more of the following obligations or securities (other than obligations or securities which are zero coupon obligations or securities), including, without limitation, any Eligible Investments for which the Custodian, the Trustee or the Collateral Manager or an Affiliate of any of them provides services:

(a) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed by, a Qualifying Country or any agency or instrumentality of a Qualifying Country, the obligations of which are fully and expressly guaranteed by a Qualifying Country in each case satisfying the Eligible Investment 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) at the time of such investment or contractual commitment have a rating of not less than the applicable Eligible Investment Minimum Rating;

(c) subject to receipt of Rating Agency Confirmation 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 Investment Minimum Rating at the time of such investment;

(d) securities bearing interest or sold at a discount to the face amount thereof issued by any corporation incorporated under the laws of a Qualifying Country that have a credit rating of not less than the Eligible Investment Minimum Rating at the time of such investment or contractual commitment providing for such investment;

(e) commercial paper or other short-term obligations having, at the time of such investment, a credit rating of not less than the applicable Eligible Investment Minimum Rating and that either are bearing interest or are sold at a discount to the face amount thereof and have a maturity of not more than 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 "Aaa-mf" by Moody's, provided that such fund issues shares, units or participations that may be lawfully acquired in The Netherlands; and

(g) any other investment similar to those described in paragraphs (a) to (f) (inclusive) above:

(i) in respect of which Rating Agency Confirmation has been received as to its inclusion in the Portfolio as an Eligible Investment; and

(ii) which has, in the case of an investment with a maturity of longer than 91 days, a long-term credit rating not less than the applicable Eligible Investment Minimum Rating,

and, in each case, such instrument or investment provides for payment of a pre-determined fixed amount of principal on maturity that is not subject to change, does not include any embedded option and either (A) has a Collateral 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 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) or any Dutch Ineligible Securities.

"**Eligible Investment Minimum Rating**" means:

(a) for so long as any Securities rated by Fitch are Outstanding:

(i) in the case of Eligible Investments with a maturity of more than 30 days:

(A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "AA-" from Fitch; and

(B) a short-term senior unsecured debt or issuer credit rating of "F1+" from Fitch; or

(C) such other ratings as confirmed by Fitch; and

(ii) in the case of Eligible Investments with a maturity of 30 days or less:

(A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "A" from Fitch; and

(B) a short-term senior unsecured debt or issuer credit rating of "F1" from Fitch; or

(C) such other ratings as confirmed by Fitch; and

(b) for so long any Securities rated by Moody's are Outstanding:

(i) where such commercial paper or debt obligations do not have a short-term senior unsecured debt or issuer (as applicable) credit rating from Moody's, a long-term senior unsecured debt or issuer (as applicable) credit rating of "Aaa" from Moody's; or

(ii) where such commercial paper or debt obligations have a short-term senior unsecured debt or issuer (as applicable) credit rating, such short-term rating is "P-1" from Moody's and the long-term senior unsecured debt or issuer (as applicable) credit rating is at least "A1" from Moody's.

"**Eligible Loan Index**" means the S&P European Leveraged Loan BB-Index or any other index subject to Rating Agency Confirmation from Moody's.

"**EMIR**" means Regulation (EU) 648/2012 of the European Parliament and of the European Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, including any implementing and/or delegated regulation, technical standards and guidance related thereto (in each case, as amended from time to time).

"**Equity Security**" means any security that by its terms does not provide for periodic payments of interest at a stated coupon rate and repayment of principal at a stated maturity and any other security that is not eligible for purchase by the Issuer as a Collateral Obligation but which is not a Dutch Ineligible Security.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**EURIBOR**" means the rate determined in accordance with Condition 6(e) (*Interest on the Floating Rate Notes*):

(a) in the case of the initial Accrual Period, pursuant to a straight line interpolation of the rates applicable to nine month and twelve month Euro deposits;

(b) in the case of each six month Accrual Period, as applicable to six month Euro deposits; and

(c) at all other times, as applicable to three 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 establishing the European Community, as amended from time to time; provided that if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the "**Exiting State(s)**"), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining member states and shall not include any successor currency introduced by the Exiting State(s).

"**Euroclear**" means Euroclear Bank SA/NV.

"**Euroclear Security Agreement**" means a Euroclear security agreement dated on or about the Issue Date between the Issuer and the Trustee.

"**Euro zone**" means the region comprised of Member States of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Excess CCC/Caa Adjustment Amount**" means, as of any date of determination, an amount equal to the excess, if any, of:

(a) the Aggregate Principal Balance of all Collateral Obligations included in the CCC/Caa Excess; over

(b) the aggregate for all Collateral Obligations included in the CCC/Caa Excess, of the product of (i) the Market Value of such Collateral Obligation and (ii) its Principal Balance, in each case of such Collateral Obligation.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**Exchanged Equity Security**" means:

(a) an equity security which is not a Collateral Enhancement Obligation and which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received by the Issuer as a result of restructuring of the terms in effect as of the later of the Issue Date or date of issuance of the relevant Collateral Obligation; or

(b) a Restructured Obligation which does not satisfy the Restructured Obligation Criteria on the applicable Restructuring Date,

provided it is not a Dutch Ineligible Security.

"**Expense Reserve Account**" means an interest bearing account in the name of the Issuer so entitled and held by the Account Bank in the United Kingdom and in any event outside of The Netherlands.

"**Extraordinary Resolution**" means an extraordinary resolution as described in Condition 14 (*Meetings of Holders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**FATCA**" means Sections 1471 through 1474 of the Code, and any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, the intergovernmental agreement between the United States and the Netherlands entered into on December 18, 2013 and the Dutch legislation, regulations and administrative practices implementing such intergovernmental agreement and other applicable intergovernmental agreements, and related legislation or official administrative regulations or practices with respect thereto (including any amendments to any of the foregoing).

"**FATCA Compliance**" means compliance with FATCA as necessary so that no tax will be imposed or withheld under FATCA in respect of payments to or for the benefit of the Issuer.

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

"**First Period Reserve Account**" means the interest bearing account described as such in the name of the issuer with the Account Bank in the United Kingdom and in any event outside of The Netherlands.

"**Fitch**" means Fitch Ratings Limited, and any successor or successors thereto.

"**Fitch Collateral Value**" means, in the case of any Eligible Investment, Defaulted Obligation or Deferring Security, the lower of:

(a) its prevailing Market Value; and

(b) the relevant Fitch Recovery Rate,

in each case, multiplied by its Principal Balance.

"**Fitch Rating**" has the meaning given to it in the Collateral Management Agreement.

"**Fitch Recovery Rate**" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management Agreement or as so advised by Fitch.

"**Fitch Tests Matrix**" has the meaning given to it in the Collateral Management Agreement.

"**Fixed Rate Collateral Obligation**" means any Collateral Obligation that bears a fixed rate of interest.

"**Fixed Rate Notes**" means the Class B-2 Notes.

"**Floating Rate Collateral Obligation**" means any Collateral Obligation that bears a floating rate of interest.

"**Floating Rate Notes**" means the Class A Notes, the Class B-1 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

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

"**Form Approved Hedge**" means either (i) an Interest Rate Hedge Transaction the documentation for and structure of which conforms to a form which has previously been approved by the Rating Agencies or for which Rating Agency Confirmation has been received by the Issuer and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn and (in each case save for the amount and timing of periodic payments, the name of the Collateral Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies) or (ii) a Currency Hedge Transaction the documentation for and structure of which conforms to a form which has previously been approved by the Rating Agencies or for which Rating Agency Confirmation has been received by the Issuer and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn and (in each case save for the amount and timing of periodic payments, the name of the Non-Euro Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies).

"**Foundation**" means Stichting ALME Loan Funding IV, a foundation (*stichting*) established under the laws of The Netherlands.

"**Frequency Switch Event**" shall occur if, on any Frequency Switch Measurement Date:

(a) **(i)** the Aggregate Principal Balance of Collateral Obligations that reset so as to become Semi-Annual Obligations in the previous Due Period (or where such Due Period is the first Due Period, in the last three months of such Due Period), is greater than or equal to 20.0 per cent. of the Collateral Principal Amount; and

(ii) the Class A/B Interest Coverage Ratio is less than 101.0 per cent. (and provided that for such purpose, paragraph (b) of the definition of Interest Coverage Amount shall be deemed to be equal to zero); or

(b) the Collateral Manager declaring in its sole discretion that a Frequency Switch Event shall have occurred.

"**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.

"**Funded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Obligation at any time, the aggregate principal amount of advances or other extensions of credit to the extent funded thereunder by the Issuer that are outstanding at such time.

"**Global Exchange Market**" means the Global Exchange Market of the Irish Stock Exchange.

"**Hedge Account**" means in respect of any Hedge Agreement each interest bearing account of the Issuer with the Account Bank in the United Kingdom and in any event outside of The Netherlands into which all Hedge Counterparty Termination Payments and Hedge Replacement Receipts relating to that Hedge Agreement will be deposited.

"**Hedge Agreement**" means any Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable) and "**Hedge Agreements**" means any of them.

"**Hedge Counterparty**" means any Interest Rate Hedge Counterparty or Currency Hedge Counterparty (as applicable) and "Hedge Counterparties" means any of them.

"**Hedge Counterparty Termination Payment**" means the amount payable by a Hedge Counterparty to the Issuer upon termination of a Hedge Transaction (in whole or in part), but excluding any due and unpaid scheduled amounts thereunder.

"**Hedge Issuer Termination Payment**" means the amount payable to a Hedge Counterparty by the Issuer upon termination or modification of a Hedge Transaction (in whole or in part), but excluding any due and unpaid scheduled amounts thereunder.

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

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

"**Hedge Transaction**" means any Interest Rate Hedge Transaction or any Currency Hedge Transaction (as applicable) and "**Hedge Transactions**" means any of them.

"**Hedging Condition**" means, in respect of a Hedge Agreement or a Hedge Transaction, receipt by the Collateral Manager of legal advice from reputable legal counsel to the effect that the entry into such arrangements should not require any of the Issuer, its directors or officers or the Collateral Manager or its directors, officers or employees to register with the United States Commodity Futures Trading Commission as a commodity pool operator or commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended.

"**High Yield Bond**" means a debt security which, on acquisition by the Issuer, is either rated below BBB- by Fitch or Baa3 by Moody's (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.

"**Holder FATCA Information**" means information and documentation requested by or on behalf of the Issuer, an agent or broker through which a holder purchases its Securities, or any nominee or other entity through which a holder holds its Securities (such agent, broker, nominee or other entity, collectively referred to as an "**Intermediary**") to be provided by the holders or beneficial owners of the Securities to the Issuer or an Intermediary that in the reasonable determination of the Issuer or Intermediary is required to be requested by FATCA.

"**Holders**" means the several persons in whose name the Securities 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 Securities) shall be construed accordingly.

"**Incentive Management Fee**" means the fee payable to the Collateral Manager pursuant to the Collateral Management Agreement in an amount, as determined by the Collateral Administrator, equal to (exclusive of any VAT) the amount specified at paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (U) of the Principal Proceeds Priority of Payments and paragraph (AA) of the Post Acceleration Priority of Payments provided that such amount will only be payable to the Collateral Manager if the Incentive Management Fee IRR Threshold has been reached.

"**Incentive Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date if the Participating Term Certificates Outstanding have received an IRR of at least 12.0 per cent. on the product of (a) the Principal Amount Outstanding of the Participating Term Certificates as of the Determination Date preceding such Payment Date (after giving effect to all payments in respect of the Participating Term Certificates to be made on such Payment Date) and (b) the issue price of the Participation Term Certificates Outstanding.

"**Initial Investment Period**" means the period from, and including, the Issue Date to, but excluding, the Effective Date.

"**Initial Par Value Ratio**" means the Class A/B Par Value Ratio, Class C Par Value Ratio, the Class D Par Value Ratio, the Class E Par Value Ratio or the Class F Par Value Ratio (as applicable) as of: (i) the Effective Date (other than in the case of the Class F Par Value Ratio) and; (ii) the expiry of the Reinvestment Period in the case of the Class F Par Value Ratio.

"**Initial Purchaser**" means Deutsche Bank AG, London Branch.

"**Initial Ratings**" means in respect of any Class of Securities and any Rating Agency, the ratings assigned to such Class of Securities by such Rating Agency as at the Issue Date and "**Initial Rating**" means each such rating.

"**Interest Account**" means an interest bearing account described as such in the name of the Issuer with the Account Bank in the United Kingdom and in any event outside of The Netherlands into which Interest Proceeds are to be paid.

"**Interest Amount**" has the meaning specified in Condition 6(e)(ii) (*Determination of Floating Rate of Interest and Calculation of Interest Amount*) in respect of the Floating Rate Notes and has the meaning specified in Condition 6(e)(iii) (*Calculation of Class B-2 Fixed Amounts*) in respect of the Fixed Rate Notes.

"**Interest Coverage Amount**" means, on any particular Measurement Date:

(a) the Balance standing to the credit of the Interest Account;

(b) plus the scheduled interest payments (including (x) any commitment fees due but not yet received in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations, (y) any amounts which the applicable Obligor has agreed or is required to pay by way of gross-up in respect of amounts withheld at source or otherwise deducted in respect of taxes or by way of indemnity in respect of directly assessed taxes, and (z) 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 (in each case regardless of whether the applicable due date has yet occurred) in the Due Period in which such Measurement Date occurs on the Collateral Obligations which:

(i) in the case of each Non-Euro Obligation subject to a Currency Hedge Agreement, shall be the scheduled interest payments payable by the applicable Currency Hedge Counterparty in Euro in accordance with the related Currency Hedge Agreement; and

(ii) in the case of each Non-Euro Obligation which is not subject to a Currency Hedge Agreement, shall be converted into Euro at the applicable Spot Rate multiplied by the applicable Unhedged Obligation Haircut,

in each case excluding:

(i) accrued and unpaid interest on Defaulted Obligations (excluding Current Pay Obligations) unless such amounts constitute Defaulted Obligation Excess Amounts;

(ii) interest on any Collateral Obligation to the extent that such Collateral Obligation does not provide for the scheduled payment of interest in cash;

(iii) any amounts, to the extent that such amounts if not paid, will not give rise to a default under the relevant Collateral Obligation;

(iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes (assuming all claims to reduce or eliminate such withholding or deduction which can be made are made) and less an amount representing any tax expected to be directly assessed in the jurisdiction of the source of the payments or the *situs* of the assets on which the payments are made;

(v) interest on any Collateral Obligation which has not paid cash interest on a current basis in respect of the lesser of (A) twelve months and (B) the two most recent interest periods;

(vi) any scheduled interest payments as to which the Issuer or the Collateral Manager has actual knowledge that such payment will not be made; and

(vii) any Purchased Accrued Interest;

(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 First Period Reserve Account and/or the Interest Smoothing Account to the Interest Account in a Due Period and save to the extent that any such amounts are to be designated to be transferred to the Principal Account (without double counting any such amounts which have been already transferred to the Interest Account);

(f) plus any Scheduled Periodic Hedge Counterparty Payments payable to the Issuer under any Interest Rate Hedge Transaction or Currency Hedge Transaction (as determined by the Issuer with the assistance of the Collateral Manager) to the extent not already included in accordance with (b) above; and

(g) minus any interest in respect of a PIK Security that has been deferred (but only to the extent such amount has not already been excluded in accordance with (b)(ii), (iii) or (v) above).

For the purposes of calculating any Interest Coverage Amount, the expected or scheduled interest income on Floating Rate Collateral Obligations and Eligible Investments and the expected or scheduled interest payable on any Class of Securities and on any relevant Account shall be calculated using then current interest rates applicable thereto.

"**Interest Coverage Ratio**" means the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio, the Class D Interest Coverage Ratio and the Class E Interest Coverage Ratio. For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the relevant Rated Notes will be calculated using the then current interest rates applicable thereto.

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

"**Interest Determination Date**" means the second Business Day prior to the commencement of each Accrual Period given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

"**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 (excluding any such amounts required to be transferred to the Interest Smoothing Account) 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 each 1992 or 2002 (as applicable) ISDA Master Agreement (Multicurrency-Cross Border) (or such other ISDA pro forma Master Agreement as may be published by ISDA from time to time) and the schedule relating thereto which is entered into between the Issuer and an Interest Rate Hedge Counterparty, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each

confirmation entered into thereunder from time to time in respect of an Interest Rate Hedge Transaction, as amended or supplemented from time to time and including any Replacement Interest Rate Hedge Agreement entered into in replacement thereof.

"**Interest Rate Hedge Counterparty**" means each financial institution with which the Issuer enters into an Interest Rate Hedge Agreement or any permitted assignee or successor under any Interest Rate Hedge Agreement which, in each case, satisfies the applicable Ratings Requirement upon the date of entry into such agreement (or in respect of which Rating Agency Confirmation has been obtained on such date) and provided always that such financial institution has the regulatory capacity as a matter of Dutch law to enter into derivatives transactions with Dutch residents.

"**Interest Rate Hedge Issuer Termination Payment**" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination of the applicable Interest Rate Hedge Agreement in whole or one or more Interest Rate Hedge Transactions thereunder, in whole or part.

"**Interest Rate Hedge Transaction**" means each interest rate protection transaction entered into under an Interest Rate Hedge Agreement which may be an interest rate swap, an interest rate cap or an interest rate floor transaction.

"**Interest Smoothing Account**" means the account described as such in the name of the Issuer with the Account Bank in the United Kingdom and in any event outside of The Netherlands 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 following (and including) the Determination Date upon which a Frequency Switch Event occurs, zero and, in respect of each other Determination Date and for so long as any Rated Notes are Outstanding, an amount equal to the greater of zero and:

(a) the sum of all payments of interest received during the related Due Period in respect of each Semi-Annual Obligation (that was a Semi-Annual Obligation at all times during such Due Period); minus

(b) the sum of:

(x) the product of:

(i) 0.25; multiplied by

(ii) the sum of:

(A) EURIBOR (as of the relevant Determination Date); plus

(B) the Weighted Average Floating Spread provided that, for the purpose of calculating the Weighted Average Floating Spread, such calculation shall only include Floating Rate Collateral Obligations which are Semi-Annual Obligations and that were Semi-Annual Obligations at all times during the related Due Period (such calculation excluding Defaulted Obligations); multiplied by

(iii) the Aggregate Principal Balance of all Semi-Annual Obligations that were Semi-Annual Obligations at all times during the related Due Period and which are Floating Rate Collateral Obligations and excluding Defaulted Obligations; and

(y) the product of:

(i) 0.25; multiplied by

(ii) the Weighted Average Coupon, provided that, for purposes of calculating the Weighted Average Coupon, such calculation shall only include Fixed Rate Collateral Obligations which are Semi-Annual Obligations and which were Semi-Annual Obligations at all times during the related Due Period (such calculation excluding Defaulted Obligations); multiplied by

(iii) the Aggregate Principal Balance of all Semi-Annual Obligations that were Semi-Annual Obligations at all times during the related Due Period and which are Fixed Rate Collateral Obligations and excluding Defaulted Obligations,

provided that (x) such amount may not be less than zero and (y) following redemption in full of the Rated Notes or if the Aggregate Principal Balance of the Semi-Annual Obligations (as at the last day of the related Due Period) is less than or equal to 5.0 per cent. of the Collateral Principal Amount, such amount shall be deemed to be zero.

"**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.

"**Investment Company Act**" means the United States Investment Company Act of 1940, as amended.

"**Irish Stock Exchange**" means The Irish Stock Exchange p.l.c.

"**IRR**" means the internal rate of return calculated using the "XIRR" function in Microsoft Excel or any equivalent function in another software package that would result in a net present value of zero, assuming:

(a) the Principal Amount Outstanding of the Participating Term Certificates (i) on the Issue Date multiplied by the Participating Term Certificate Issue Price Percentage as the initial cash flow and (ii) issued after the Issue Date (pursuant to Condition 17 (*Additional Issuances*)) multiplied by their relevant issue prices and all distributions to the Participating Term Certificates on the current and each preceding Payment Date as subsequent cash flows (including the Redemption Date, if applicable);

(b) the initial date for the calculation as the Issue Date; and

(c) the number of days to each subsequent Payment Date from the Issue Date calculated on the basis of the actual number of days in an Accrual Period divided by 365.

"**IRS**" means the United States Internal Revenue Service or any successor thereto.

"**Issue Date**" means 14 January 2016 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Initial Purchaser and the Collateral Manager and is notified to the Holders in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange).

"**Issue Date Collateral Obligation**" means an obligation for which the Issuer (or the Collateral Manager, acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Issue Date.

"**Issue Date Participation Interests**" means the participation interests subject to participation agreements entered into prior to the Issue Date in respect of the acquisition of a portion of the Warehoused Assets.

"**Issuer Dutch Account**" means the account in the name of the Issuer established in The Netherlands for the purposes of, *inter alia*, holding the proceeds of the issued share capital of the Issuer.

"**Letter of Undertaking**" means the letter of undertaking from, amongst others, the Issuer and its Managing Directors to the Trustee and the Initial Purchaser.

"**Liabilities**" means any liabilities, proceedings, claims and demands and costs and expenses relating thereto.

"**Managing Directors**" means Huub Mourits, Arthur Weglau and Jakob Boonman or such person(s) who may be appointed as Managing Director(s) of the Issuer from time to time.

"**Mandatory Redemption**" means a redemption of the Securities pursuant to and in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

"**Market Value**" means, in respect of a Collateral Obligation (expressed as a percentage of par), on any date of determination and as provided by the Collateral Manager to the Collateral Administrator:

(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 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) hereafter would be lower); or

(e) if the determinations of such broker-dealers or independent recognised pricing service are not available, then the lower of:

(i) the higher of (x) the lower of (a) the Fitch Recovery Rate of such Collateral Obligation; and (b) the Moody's Recovery Rate of such Collateral Obligation; and (y) 70.0 per cent. of such Collateral Obligation's Principal Balance; and

(ii) the fair market value thereof determined by the Collateral Manager on a best efforts basis in a manner consistent with reasonable and customary market practice, in each case, as notified to the Collateral Administrator on the date of determination thereof. For the avoidance of doubt, if, for any reason, the Collateral Manager does not or is not able to determine the fair market value, paragraph (e)(i)(x) should be applied.

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.

Where the Collateral Obligation is a Non-Euro Obligation which is subject to a Currency Hedge Transaction, the market value of the applicable Non-Euro Obligation shall be determined as provided above, multiplied by the applicable Currency Hedge Transaction Exchange Rate, minus any applicable payment by the Issuer to the applicable Currency Hedge Counterparty should such Non-Euro Obligation be sold.

Where the Collateral Obligation is a Non-Euro Obligation which is not subject to a Currency Hedge Transaction, the market value of the applicable Non-Euro Obligation shall be determined as provided above, converted into Euro at the applicable Spot Rate.

Where the Market Value is determined by the Collateral Manager in accordance with paragraph (e) above, such determination of Market Value by the Collateral Manager may only be used for a maximum of 30 consecutive days following the Collateral Manager's initial determination, after which time if the Market Value cannot be ascertained by a third party the Market Value shall be deemed to be zero.

"**Maturity Amendment**" means, with respect to any Collateral Obligation, any waiver, modification, amendment or variance that would extend or have the effect of extending the Collateral Obligation Stated Maturity of such Collateral Obligation (whether by way of amendment and restatement of the existing facility or novation or substitution on substantially the same terms save for the maturity amendment). For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of the credit facility of which a Collateral Obligation is part, but would not extend the Collateral Obligation Stated Maturity of the Collateral Obligation held by the Issuer, does not constitute a Maturity Amendment.

"**Maturity Date**" means:

(a) in respect of the Rated Notes, 15 January 2030; and

(b) in respect of the Participating Term Certificates, 15 January 2046,

or, in each case, if a Maturity 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).

"**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 the purchase of Substitute Collateral Obligations (unless otherwise specified) without taking into account and, secondly, taking into account on a projected basis, the proposed sale of one or more Collateral Obligations and reinvestment of the Sale Proceeds thereof in Substitute Collateral Obligations;

(c) the date of acquisition of any additional Collateral Obligation following the Effective Date;

(d) each Determination Date;

(e) the date as at which any Report is prepared; and

(f) following the Effective Date, with reasonable (and not less than five Business Days') notice, any Business Day requested by any Rating Agency then rating any Class of Securities Outstanding.

"**Mezzanine Obligation**" means a mezzanine loan obligation or other comparable debt obligation, including any such loan obligation with attached warrants and any such obligation which is evidenced by an issue of notes (other than High Yield Bonds), as determined by the Collateral Manager in its reasonable business judgment, or a Participation therein.

"**Minimum Denomination**" means:

(a) in the case of the Regulation S Securities of each Class, €100,000; and

(b) in the case of the Rule 144A Securities of each Class, €250,000.

"**Monthly Report**" means any monthly report defined as such in the Collateral Management Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on such dates as are set forth in the Collateral Management Agreement, is deliverable to the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser, the Hedge Counterparties and the Rating Agencies and, upon request therefor in accordance with Condition 4(f) (*Information Regarding the Collateral*), to any Holder and which shall include information regarding the status of certain of the Collateral alongside portfolio data in excel or CSV format pursuant to the Collateral Management Agreement.

"**Moody's**" means Moody's Investors Service, Ltd. and any successor or successors thereto.

"**Moody's Collateral Value**" means in the case of any Eligible Investment, Defaulted Obligation or Deferring Security, the lower of:

(a) its prevailing Market Value; and

(b) the relevant Moody's Recovery Rate,

in each case, multiplied by its Principal Balance.

"**Moody's Rating**" has the meaning given to it in the Collateral Management Agreement.

"**Moody's Recovery Rate**" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management Agreement or as so advised by Moody's.

"**Moody's Test Matrix**" has the meaning given to it in the Collateral Management Agreement.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding, 15 January 2018.

"**Non-Consenting Amendment Additional Notes**" has the meaning given to it in Condition 7(h) (*Non-Consenting Amendment Redemption*).

"**Non-Consenting Amendment Redeemed Notes**" has the meaning given to it in Condition 7(h) (*Non-Consenting Amendment Redemption*).

"**Non-Consenting Amendment Redemption**" has the meaning given to it in Condition 7(h) (*Non- Consenting Amendment Redemption*).

"**Non-Consenting Amendment Redemption Purchaser**" shall mean one or more qualifying purchasers (which may include the Initial Purchaser or its Affiliates acting as principal or agent) designated by the Collateral Manager, provided that none of the Collateral Manager, the Initial Purchaser or any of their respective Affiliates shall have any obligation or duty to act as a Non-Consenting Amendment Redemption Purchaser.

"**Non-Consenting Amendment Redemption Price**" means an amount equal to the Redemption Price of the relevant Securities (which will include an amount representing accrued but unpaid interest on the Non-Consenting Amendment Redeemed Notes as at the date of the relevant Non-Consenting Amendment Redemption), such amount being payable by (i) the Issuer to the Non-Consenting Holder for the redemption of the Non-Consenting Amendment Redeemed Notes and (ii) the Non-Consenting Amendment Redemption Purchaser to the Issuer for the subscription of the Non-Consenting Amendment Additional Notes.

"**Non-Consenting Holder**" has the meaning given to it in Condition 7(h) (*Non-Consenting Amendment Redemption*).

"**Non-Eligible Issue Date Collateral Obligation**" has the meaning given thereto in the Collateral Management Agreement.

"**Non-Emerging Market Country**" means (i) any of Austria, Australia, Belgium, Bermuda, Canada, the Cayman Islands, the Channel Islands, the Czech Republic, Denmark, Finland, France, Germany, Iceland, Israel, Republic of Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom or United States; (ii) any other country, (a) the foreign currency issuer credit rating of which is, at the time of acquisition of the relevant Collateral Obligation, at least "BBB-" by Fitch and (b) the foreign currency bond ceiling rating of which is, at the time of acquisition of the relevant Collateral Obligation, at least "Baa3" by Moody's (provided that Rating Agency Confirmation from Moody's is received in respect of any such other country which is not in the Euro zone with a foreign currency bond ceiling rating below "Aa2"); or (iii) any other country in respect of which, at the time of acquisition of the relevant Collateral Obligation, Rating Agency Confirmation is received.

"**Non-Euro Obligation**" means any Collateral Obligation which is denominated in a Qualifying 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 Priorities of Payment in the following order:

(a) *firstly*, to the redemption of the Class A Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class A Notes have been fully redeemed;

(b) *secondly*, to the redemption of the Class B Notes (on a *pro rata* 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;

(e) *fifthly*, to the redemption of the Class E Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class E Notes have been fully redeemed; and

(f) *sixthly*, to the redemption of the Class F Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class F Notes have been fully redeemed,

provided that, for the purposes of any redemption of the Securities in accordance with the Note Payment Sequence following any breach of Coverage Tests, the Note Payment Sequence shall terminate immediately after the paragraph above that refers to the Class of Securities to which such Coverage Test relates or as soon as the relevant Coverage Test has been remedied, if earlier.

"**Note Tax Event**" means, at any time:

(a) the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final) which results in (or would on the next Payment Date result in) any payment of principal or interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and/or the Participating Term Certificates 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; or

(iii) by reason of the failure by the relevant Holder or beneficial owner to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with The Netherlands, the United States or other applicable taxing authority; or

(b) United Kingdom or U.S. federal, governmental or state tax authorities impose net income, profits or similar tax upon the Issuer (or its representative).

"**Obligor**" means, in respect of a Collateral Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Collateral Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Collateral Obligation, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration, (b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument or (c) any offer or consent request with respect to a Maturity Amendment.

"**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 Holders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**Other Plan Law**" means any federal, state, local or non-U.S. law or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"**Outstanding**" has the meaning given to it in the Trust Deed.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, Class C Par Value Ratio, the Class D Par Value Ratio, the Class E Par Value Ratio or the Class F Par Value Ratio (as applicable).

"**Par Value Test**" means the Class A/B Par Value Test, Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test or the Class F Par Value Test (as applicable).

"**Participating Term Certificate Issue Price Percentage**" means 93.78 per cent.

"**Participating Term Certificates**" have the meaning ascribed to them in the first paragraph of these Conditions.

"**Participating Term Certificateholders**" means the holders of any Participating Term Certificates from time to time.

"**Participation**" means an interest in a Collateral Obligation acquired indirectly by the Issuer by way of subparticipation 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.

"**Payment Account**" means the account described as such in the name of the Issuer held with the Account Bank in the United Kingdom and in any event outside of The Netherlands to which amounts shall be transferred by the Account Bank on the instructions of the Collateral Administrator on the Business Day prior to each Payment Date out of certain of the other Accounts in accordance with Condition 3(i) (*Accounts*) and out of which the amounts required to be paid on each Payment Date pursuant to the Priorities of Payment shall be paid.

"**Payment Date**" means:

(a) following the occurrence of a Frequency Switch Event, 15 January and 15 July (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is either 15 January or 15 July), or 15 April and 15 October (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is either 15 April or 15 October); and

(b) 15 January, 15 April, 15 July and 15 October, at all other times,

in each case in each year commencing on 15 October 2016 up to and including the Maturity Date and any Redemption Date in respect of any redemption of the Rated Notes in whole, provided that, if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Payment Date Report**" means the report defined as such in the Collateral Management Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer and deliverable to the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser, the Hedge Counterparties, any holder of a beneficial interest in any Securities (upon written request of such holder) and each Rating Agency not later than the Business Day preceding the related Payment Date.

"**Permitted Controlling Person"** means the Collateral Manager, any Affiliate of the Collateral Manager and any account or fund managed by the Collateral Manager or its Affiliates that constitutes a Controlling Person; provided that (x) with respect to any acquisition of Class E Notes, Class F Notes or Participating Term Certificates by such Person, such acquisition will not cause the 25.0 per cent. Limitation to be violated and (y) such Person has provided the Issuer, the Transfer Agent (in the case of the Participating Term Certificates) and the Trustee with prior written notice of each of its intended acquisitions of Class E Notes, Class F Notes or Participating Term Certificates, as applicable.

"**Permitted Use**" has the meaning ascribed to it in Condition 3(j)(vi) (*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 Security**" means any Collateral Obligation which is a security, the terms of which permit the deferral of the payment of interest thereon (excluding any Collateral Obligation in respect of which less than 50.0 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 Securities.

"**Plan Asset Regulation**" means 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, as they may be amended or modified.

"**Portfolio**" means the Collateral Obligations, Collateral Enhancement Obligations, Exchanged Equity Securities, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests each as defined in the Collateral Management Agreement.

"**Post-Acceleration Priority of Payments**" means the priority of payments set out in Condition 11 (*Enforcement*).

"**Presentation Date**" means a day which (subject to Condition 12 (*Prescription*)):

(a) is a Business Day;

(b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and

(c) is a Business Day in the place in which the account specified by the payee is located.

"**Principal Account**" means the interest bearing account described as such in the name of the Issuer with the Account Bank in the United Kingdom and in any event outside of The Netherlands.

"**Principal Amount Outstanding**" means in relation to any Class of Securities and at any time, the aggregate principal amount outstanding under such Class of Securities at that time, including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, Deferred Interest which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*) save that Deferred Interest shall not be included for the purposes of determining voting rights attributable to the Class C Notes, Class D Notes, Class E Notes and Class F Notes, as applicable,

and the applicable quorum at any meeting of the Holders pursuant to Condition 14 (*Meetings of Holders, Modification, Waiver and Substitution*); and *provided that* solely:

(a) in connection with a CM Removal Resolution or a CM Replacement Resolution, no Securities held in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes shall (a) be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution, or (b) 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

(b) in connection with a CM Removal Resolution, no Securities held in the form of Collateral Manager Securities shall (a) be entitled to vote in respect of such CM Removal Resolution or (b) be counted for the purposes of determining a quorum or the result of voting in respect of such CM Removal Resolution.

"**Principal Balance**" means, with respect to any Collateral Obligation, Eligible Investment, Collateral Enhancement Obligation, Equity Security or Exchanged Equity Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Obligation or a PIK Security, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Security), *provided however* that:

(a) the Principal Balance of any Revolving Obligation and Delayed Drawdown Collateral Obligation as of any date of determination, shall be the outstanding principal amount of such Revolving Obligation or Delayed Drawdown Collateral Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Obligation or Delayed Drawdown Collateral Obligation;

(b) the Principal Balance of each Equity Security, Exchanged Equity Security and each Collateral Enhancement Obligation shall be deemed to be zero;

(c) the Principal Balance of:

(i) any Non-Euro Obligation subject to a Currency Hedge Transaction shall be an amount equal to the outstanding principal amount of the reference Non-Euro Obligation, converted into Euro at the Currency Hedge Transaction Exchange Rate; and

(ii) any Non-Euro Obligation which is not subject to a Currency Hedge Transaction shall be an amount equal to the Euro equivalent of the outstanding principal amount of the reference Non-Euro Obligation, converted into Euro at the Spot Rate multiplied by the applicable Unhedged Obligation Haircut; and

(d) the Principal Balance of any cash shall be the amount of such cash (and where such cash is denominated in a currency other than Euro, converted into Euro at the Spot Rate, save in respect of a Non-Euro Obligation subject to a Currency Hedge Transaction where any such cash shall be converted into Euro at the Currency Hedge Transaction Exchange Rate);

(e) for the purposes of the Collateral Quality Tests, the Portfolio Profile Tests and the Note Event of Default in Condition 10(a)(iv), other than to the extent expressly specified otherwise, the Principal Balance of any Defaulted Obligation shall be zero;

(f) the Principal Balance of any Restructured Obligation which, on the applicable Restructuring Date, was called for, or subject to a pending, redemption shall be the outstanding principal amount multiplied by the applicable redemption price thereof.

"**Principal Proceeds**" means all amounts paid or payable into the Principal Account (or, as the case may be, the Unused Proceeds Account during the Initial Investment Period) from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) or Condition 11(b) (*Enforcement*). For the avoidance of doubt, amounts received as principal proceeds in connection with an Offer for the exchange of a Collateral Obligation for a new or novated obligation or substitute obligation will not constitute Principal Proceeds and will not be deposited into the Principal Account to the extent such principal proceeds are required to be applied as consideration for the new or novated obligation or substitute obligation (subject to the Restructured Obligation Criteria being satisfied).

"**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 Payment**" means:

(a) save for (i) in connection with any optional redemption of the Securities in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*), (ii) in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption following Note Tax Event*) or (iii) following the effectiveness of an Acceleration Notice which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or following the automatic acceleration of the Securities, 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; and

(b) in the event of any optional redemption of the Securities in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) or following the effectiveness of an Acceleration Notice which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or following the automatic acceleration of the Securities, the Post-Acceleration Priority of Payments.

"**PTC Purchase Agreement**" means each purchase agreement relating to the Participating Term Certificates dated on or about the Issue Date between the Issuer or the Initial Purchaser and the applicable purchaser of such Securities.

"**Purchased Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Obligation or Eligible Investment, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of the acquisition thereof with Principal Proceeds and/or amounts paid out of the Unused Proceeds Account.

"**QIB**" means a Person who is a "qualified institutional buyer" as defined in Rule 144A.

"**QIB/QP**" means a Person who is both a QIB and a QP.

"**Qualified Purchaser**" and "**QP**" mean a Person who is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act.

"**Qualifying Country**" means each of Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United States or the United Kingdom so long as it has a foreign

currency issuer credit rating, at the time of acquisition of the relevant Eligible Investment, of at least "AA-" by Fitch and at least "Aa3" by Moody's 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 Krone, Canadian Dollars, Australian Dollars, New Zealand Dollars, Swiss Francs, Japanese Yen, Polish Zloty or any other currency in respect of which Rating Agency Confirmation has been received.

"**Qualifying Non-Euro Obligation Currency**" means Sterling, U.S. Dollars, Norwegian Krone, Danish Krone, Swedish Krona and Swiss Francs.

"**Rated Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"**Rating Agencies**" means Moody's and Fitch, provided that if at any time Moody's and/or Fitch ceases to provide rating services, "Rating Agencies" shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer and satisfactory to the Trustee (a "**Replacement Rating Agency**") and "Rating Agency" means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the 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 (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has, as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, provided that such Rating Agency has, as at the relevant date assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions (except for Condition 7(b)(vi)(A) (*Optional Redemption effected through Liquidation only*)), 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 or (ii) such Rating Agency announces (publicly or otherwise) or confirms to the Trustee, the Collateral Manager or the Issuer that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment or (iii) such Rating Agency has ceased to engage in the business of providing ratings or has made a public statement to the effect that it will no longer review events or circumstances of the type requiring a Rating Agency Confirmation under any Transaction Document or these Conditions for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by such Rating Agency.

"**Rating Confirmation Plan**" means a plan provided by the Collateral Manager (acting on behalf of the Issuer) to the Rating Agencies setting forth the intended timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, as further described and as defined in the Collateral Management Agreement.

"**Rating Requirement**" means:

(a) in the case of the Account Bank:

(i) a short-term senior unsecured debt rating of "P-1" by Moody's and a long-term senior unsecured issuer credit rating of at least "A2" by Moody's; and

(ii) a long-term issuer credit rating of at least "A" by Fitch and a short-term issuer credit rating of at least "F1" by Fitch;

(b) in the case of the Principal Paying Agent, a short-term senior unsecured debt rating of "P-3" by Moody's or a long-term senior unsecured issuer credit rating of at least "Baa3" by Moody's;

(c) in the case of the Custodian or any sub-custodian appointed thereby:

(i) a short-term senior unsecured debt rating of "P-1" by Moody's and a long-term senior unsecured issuer credit rating of at least "A2" by Moody's; and

(ii) a long-term issuer credit rating of at least "A" by Fitch and a short-term issuer credit rating of at least "F1" by Fitch;

(d) in the case of any Hedge Counterparty, a counterparty which satisfies the ratings set out in (i) and (ii) below:

(i) it has a long-term issuer default rating of at least "A2" and a short-term issuer default rating of at least "P-1" by Moody's; and

(ii) a long-term issuer credit rating of at least "A" by Fitch and a short-term issuer credit rating of at least "F1" by Fitch;

(e) in the case of a Selling Institution with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table; and

(f) in each case, if any of the requirements are not satisfied, by any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

"**Record Date**" means:

(a) in respect of Securities represented by a Definitive Certificate, the fifteenth day before the relevant due date for payment of principal and interest in respect of such Securities; and

(b) in respect of Securities represented by a Global Certificate, the close of business on the Clearing System Business Day before the relevant due date for payment of principal and interest in respect of such Security.

"**Redemption Date**" means each date specified for a redemption of the Securities 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 Securities of such Class are accelerated pursuant to Condition 10 (*Note Events of Default*).

"**Redemption Determination Date**" has the meaning given thereto in Condition 7(b)(vi) (*Optional Redemption 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 Holder and which specifies, amongst other things, the applicable Redemption Date.

"**Redemption Price**" means, when used with respect to:

(a) any Participating Term Certificate such Participating Term Certificate's *pro rata* share (calculated in accordance with paragraph (CC) of Condition 3(c)(i) (*Application of Interest Proceeds*), paragraph (U) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and paragraph (AA) 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 Payment; and

(b) any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with any accrued and unpaid interest in respect thereof to the relevant day of redemption and in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F 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 on the scheduled Redemption Date pursuant to Condition 11(b) (*Enforcement*) which rank in priority to payments in respect of the Participating Term Certificates in accordance with the Priorities of Payment.

"**Reference Banks**" has the meaning given thereto in paragraph (B) of Condition 6(e)(i) (*Floating Rate of Interest*).

"**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 are not Administrative Expenses and 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 Securities kept by the Registrar pursuant to the terms of the Agency Agreement.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Securities offered for sale to non-U.S. Persons outside of the United States in "offshore transactions" in reliance on Regulation S.

"**Reinvesting Holder**" means each Holder of a Participating Term Certificate that elects to make a Reinvestment Amount and whose Reinvestment Amount is accepted, in each case, in accordance with the terms of the Trust Deed.

"**Reinvestment Amount**" has the meaning given to it in Condition 7 (*Redemption and Purchase*).

"**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 which will

be satisfied on such Measurement Date if the Class F Par Value Ratio is at least equal to 104.63 per cent.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (i) 15 January 2020 or, if such day is not a Business Day, the immediately following Business Day; (ii) the date of the acceleration of the Securities pursuant to Condition 10(b) (*Acceleration*) (provided that any applicable 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 Rating Agencies and the Trustee that it can no longer reinvest in additional Collateral Obligations in accordance with the Reinvestment Criteria.

"**Reinvestment Target Par Balance**" means, as of any date of determination, the Target Par Amount minus: (i) the amount of any reduction in the Principal Amount Outstanding of the Securities and plus (ii) the Principal Amount Outstanding of any additional Securities issued pursuant to Condition 17 (*Additional Issuances*) or, if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Securities.

"**Replacement Currency Hedge Agreement**" means any Currency Hedge Agreement entered into by the Issuer upon termination of an existing Currency Hedge Agreement on substantially the same terms as such existing Currency Hedge Agreement, that preserves for the Issuer the economic effect of the terminated Currency Hedge Agreement and all Currency Hedge Transactions thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Replacement Hedge Transaction**" means any Hedge Transaction entered into under a Replacement Currency Hedge Agreement or Replacement Interest Rate Hedge Agreement 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 Hedge Transaction on substantially the same terms as such terminated Hedge Transaction, that preserves for the Issuer the economic effect of the terminated Hedge Transaction, subject to such amendments thereto as may be agreed by the Collateral Manager, acting on behalf of the Issuer.

"**Replacement Interest Rate Hedge Agreement**" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement in full on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Hedge Transactions outstanding thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Report**" means each Monthly Report and Payment Date Report.

"**Reporting Delegate**" means a Hedge Counterparty or third party that undertakes to provide delegated reporting in connection with certain derivative transaction reporting obligations of the Issuer.

"**Reporting Delegation Agreement**" means an agreement in a form approved by the Rating Agencies for the delegation by the Issuer of certain derivative transaction reporting obligations to one or more Reporting Delegates.

"**Requisite Majority**" means Holders representing at least 66⅔ per cent. of the aggregate Principal Amount Outstanding of the Class or Classes of Securities Outstanding, provided that the Requisite Majority in relation to:

(a) any CM Removal Resolution or CM Replacement Resolution for which CM Non-Voting Exchangeable Notes and/or CM Non-Voting Notes are not permitted to vote pursuant to these Conditions and the Collateral Management Agreement; and

(b) any CM Removal Resolution or a CM Replacement Resolution (following the removal of the Collateral Manager after the occurrence of a Collateral Manager Event of Default) for which Collateral Manager Securities are not permitted to vote,

in each case pursuant to these Conditions and the Collateral Management Agreement shall be determined by reference to the aggregate Principal Amount Outstanding of such Class, excluding the aggregate Principal Amount Outstanding of all CM Non-Voting Exchangeable Notes, CM Non-Voting Notes and/or Collateral Manager Securities (as applicable).

"**Resolution**" means any Ordinary Resolution or Extraordinary Resolution as the context may require.

"**Responsible Officer**" means any officer, authorised person or employee of the Collateral Manager set forth on the list provided by the Collateral Manager to the Issuer and the Trustee which list shall include any portfolio manager having day-to-day responsibility for the performance of the Collateral Manager under the Collateral Management Agreement, as such list may be amended from time to time.

"**Restricted Trading Period**" means the period during which:

(a) 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, provided the Class A Notes are Outstanding; or

(b) the Moody's 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, provided the Class A Notes are Outstanding,

provided that, in each case, such period will not be a Restricted Trading Period:

(i) if:

(A) the sum of: (1) the Aggregate Principal Balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, any related reinvestment and the anticipated cash proceeds, if any, of such sale), and (2) amounts standing to the credit of 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) is greater than or equal to the Reinvestment Target Par Balance;

(B) each of the Coverage Tests applicable during such period is satisfied; and

(C) each of the Collateral Quality Tests is satisfied; or

(ii) the downgrade or withdrawal of such rating is as a result of either (1) regulatory change or (2) a change in the relevant Rating Agency's structured finance rating criteria; or

(iii) upon the direction of the Issuer with the consent of the Controlling Class acting by Ordinary Resolution,

provided further that no Restricted Trading Period shall restrict any sale of a Collateral Obligation entered into by the Issuer at a time when a Restricted Trading Period is not in effect, regardless of whether such sale has settled.

"**Restructured Obligation**" means a Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date, *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 be a Restructured Obligation unless it is subsequently restructured again, in which case such obligation shall constitute a Restructured Obligation provided that it satisfies the Restructured Obligation Criteria as at such 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 Obligation becomes binding on the holders thereof provided if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

"**Retention Holder**" means Apollo Management International LLP in its capacity as retention holder in accordance with the Risk Retention Letter and any successor, assign or transferee to the extent permitted under the Risk Retention Letter and the Retention Requirements.

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

"**Retention Securities**" means the Securities of each Class subscribed for by the Retention Holder on the Issue Date and comprising not less than 5.0 per cent. of the Principal Amount Outstanding of each Class of Securities.

"**Retention Securities Purchase Agreement**" means the purchase agreement relating to the Retention Securities dated on or about the Issue Date between the Issuer and the Retention Holder.

"**Revolving Obligation**" means any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the Issuer; but any such Collateral Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"**Risk Retention Letter**" means the letter entered into between the Issuer, the Initial Purchaser, the Trustee, the Collateral Administrator and the Retention Holder dated on or about 14 January 2016.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Notes**" means Securities offered for sale within the United States or to U.S. Persons in reliance on Rule 144A.

"**Rule 17g-5**" means Rule 17g-5 under the Exchange Act.

"**S&P**" means Standard & Poor's Ratings Services, a division of the McGraw Hill Companies, Inc. and any successor or successors thereto.

"**Sale Proceeds**" means:

(a) all proceeds received upon the sale of any Collateral Obligation (other than any Non-Euro Obligation) excluding any sale proceeds representing accrued interest designated as Interest Proceeds, by the Collateral Manager provided that no such designation may be made in respect of: (i) Purchased Accrued Interest; or (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; or (iii) proceeds that represent deferred interest accrued in respect of any PIK Security; or (iv) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until (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 Equity Security;

(b) in the case of any Non-Euro Obligation, all amounts in Euros (or other currencies, if applicable) payable to the Issuer by the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Obligation as described in paragraph (a) above, under the related Currency Hedge Transaction; and

(c) in the case of any Collateral Enhancement Obligation, all proceeds and any fees received upon the sale of such Collateral Enhancement Obligation,

in each case net of any amounts expended by or payable by the Issuer or the Collateral Administrator (on behalf of the Issuer) in connection with sale, disposition or termination of such Collateral Obligation.

"**Scheduled Periodic Currency Hedge Counterparty Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Currency Hedge Counterparty to the Issuer pursuant to the terms of such Currency Hedge Agreement, excluding any Hedge Counterparty Termination Payment.

"**Scheduled Periodic Currency Hedge Issuer Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Currency Hedge Counterparty pursuant to the terms of such Currency Hedge Agreement, but excluding any Currency Hedge Issuer Termination Payment.

"**Scheduled Periodic Hedge Counterparty Payment**" means a Scheduled Periodic Currency Hedge Counterparty Payment or a Scheduled Periodic Interest Rate Hedge Counterparty Payment.

"**Scheduled Periodic Interest Rate Hedge Counterparty Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Hedge Counterparty to the Issuer pursuant to the terms of such Interest Rate Hedge Agreement excluding any Hedge Counterparty Termination Payment.

"**Scheduled Periodic Interest Rate Hedge Issuer Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Hedge Agreement, but excluding any Interest Rate Hedge Issuer Termination Payment.

"**Scheduled Periodic Hedge Issuer Payment**" means a Scheduled Periodic Currency Hedge Issuer Payment or a Scheduled Periodic Interest Rate Hedge Issuer Payment.

"**Scheduled Principal Proceeds**" means:

(a) in the case of any Collateral Obligation (other than Non-Euro Obligations), scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments);

(b) in the case of any Non-Euro Obligation, scheduled final and interim payments in the nature of principal payable to the Issuer by the applicable Currency Hedge Counterparty under the related Currency Hedge Transaction;

(c) in the case of any Hedge Agreements, any Hedge Replacement Receipts and Hedge Counterparty Termination Payments transferred from the Hedge Account into the Principal Account.

"**Second Lien Loan**" means an obligation (other than a Secured Senior Loan) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation.

"**Secured Obligation**" means all present and future obligations and liabilities (whether actual or contingent) of the Issuer to:

(a) the Holders (other than the Participating Term Certificateholders) pursuant to the Conditions and the provisions of the Trust Deed;

(b) the Trustee pursuant to the Trust Deed and any Receiver or other Appointee appointed thereby pursuant to the Trust Deed;

(c) the Agents pursuant to the Agency Agreement;

(d) the Collateral Manager pursuant to the Collateral Management Agreement;

(e) the Collateral Administrator and the Information Agent pursuant to the Collateral Management Agreement;

(f) each Hedge Counterparty pursuant to the relevant Hedge Agreement;

(g) any Reporting Delegate pursuant to the applicable Reporting Delegation Agreement;

(h) the Initial Purchaser pursuant to the Subscription Agreement; and

(i) the Managing Directors pursuant to the Issuer Management Agreement.

"**Secured Party**" means each of the Class A Holders, the Class B Holders, the Class C Holders, the Class D Holders, the Class E Holders, the Class F Holders, the Initial Purchaser, the Collateral Manager, the Trustee, any Receiver or Appointee appointed by the Trustee under the Trust Deed, the Agents, each Hedge Counterparty, each Reporting Delegate and the Managing Directors and "**Secured Parties**" means any two or more of them as the context so requires.

"**Secured Senior Bond**" means a Collateral Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security and that may bear a floating or fixed rate of interest (and that is not a Secured Senior Loan) as determined

by the Collateral Manager in its reasonable business judgment, or a Participation therein, provided that:

(a) it is secured (such security being valid and perfected security):

(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 no less than 80.0 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 that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares if an enforcement in respect of such loan occurs, provided such loan represents no more than 15.0 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation has been obtained).

"**Secured Senior Loan**" means a Collateral Obligation (which may be a Revolving Obligation or a Delayed Drawdown Collateral Obligation or a Non-Euro Obligation) that is a senior secured loan obligation as determined by the Collateral Manager in its reasonable business judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by no less than 80.0 per cent. of the equity interests in the stock 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 stock referred to in (a) above (for such purposes disregarding any Super Senior Revolving Facilities).

"**Securities**" means the Rated Notes and the Participating Term Certificates.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Selling Institution**" means an institution from whom (i) a Participation is taken and satisfies the applicable Rating Requirement or (ii) an Assignment is acquired.

"**Semi-Annual Obligations**" means Collateral Obligations which, at the relevant date of measurement, pay interest less frequently than quarterly.

"**Senior Expenses Cap**" means, in respect of each Payment Date the sum of:

(a) €250,000 per annum (pro rated for the Due Period for the related Payment Date on the basis of a 360 day year comprised of twelve 30-day months); and

(b) 0.0225 per cent. per annum (pro rated for the Due Period for the related Payment Date on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the Determination Date immediately preceding the Payment Date in respect of such Due Period,

provided however that if the amount of the Trustee Fees and Expenses and Administrative Expenses paid on each of the three immediately preceding Payment Dates or, if a Frequency Switch Event has occurred, the immediately preceding Payment Date and, in either case, 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 excess (if any) will be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, any such excess (if any) may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"**Senior Loan**" means a Collateral Obligation that is a Secured Senior Loan, an Unsecured Senior Loan or a Second Lien Loan.

"**Senior Management Fee**" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Collateral Management Agreement in an amount, as determined by the Collateral Administrator, equal to (exclusive of any VAT) 0.15 per cent. per annum (calculated semi-annually in respect of each semi-annual Due Period following the occurrence of a Frequency Switch Event and quarterly at all other times and, in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the first day (or if such day is not a Business Day, the next day which is a Business Day) of the Due Period immediately preceding such Payment Date as determined by the Collateral Administrator.

"**Similar Law**" means any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Securities (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 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.

"**Solvency II**" means Directive 2009/138/EC including any implementing and/or delegated regulation, technical standards and guidance related thereto, as may be amended, replaced or supplemented from time to time.

"**Solvency II Retention Requirements**" means the risk retention requirements and due diligence requirements set out in Article 254 (Risk retention requirements relating to the originators, sponsors or original lenders) and Article 256 (Qualitative requirements relating to insurance and reinsurance undertakings) of Chapter VIII (Investments in Securitisation Positions) of Commission Delegated Regulation (EU) 2015/35 which came into force on 18 January 2015, as amended from time to time.

"**Special Redemption**" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"**Special Redemption Amount**" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"**Special Redemption Date**" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"**Spot Rate**" means with respect to any conversion of any currency into Euro or, as the case may be, of Euro into any other relevant currency, the relevant spot rate of exchange quoted by the Collateral Administrator on the date of calculation.

"**Subordinated Management Fee**" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of the immediately preceding Due Period, pursuant to the Collateral Management Agreement equal to (exclusive of any VAT) 0.35 per cent. per annum (calculated semi-annually in respect of each semi-annual Due Period following the occurrence of a Frequency Switch Event and quarterly at all other times and, in each case, on the basis of a 360 day year and

the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the first day of the Due Period (or if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date, as determined by the Collateral Administrator.

"**Subscription Agreement**" means the subscription agreement between the Issuer and the Initial Purchaser executed on or about 14 January 2016.

"**Substitute Collateral Obligation**" means a Collateral Obligation purchased in substitution for a previously held Collateral Obligation (including a Collateral Obligation purchased using proceeds pursuant to Condition 3(c)(i)(E) or (X)) pursuant to the terms of the Collateral Management Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Super Senior Revolving Facility**" means a revolving loan that, pursuant to its terms, may require one or more future advances to be made to the relevant borrower which has the benefit of a security interest in the relevant assets which ranks in the event of an enforcement in respect of such loan higher than such borrowers other senior secured indebtedness, provided however that any such loan may only be treated as a Super Senior Revolving Facility if it represents no greater than 15.0 per cent. of the relevant obligors senior debt (or more if Rating Agency Confirmation has been obtained).

"**Supplemental Reserve Account**" means an interest bearing account in the name of the Issuer, so entitled and held with the Account Bank in the United Kingdom and in any event outside of The Netherlands.

"**Supplemental Reserve Amount**" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds retained in the Supplemental Reserve 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 €4,000,000 in the aggregate for any Payment Date or an aggregate amount for all applicable Payment Dates of €15,000,000.

"**Swap Tax Credits**" 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 a Hedge Counterparty to the Issuer or a reduced payment from the Issuer to a Hedge Counterparty.

"**Swapped Non-Discount Obligation**" means any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Obligation that was not a Discount Obligation at the time of its purchase and will not be considered a Discount Obligation so long as such purchased Collateral Obligation:

(a) is purchased or committed to be purchased within 30 Business Days of such sale;

(b) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the sold Collateral Obligation;

(c) is purchased at a price not less than 60.0 per cent. of the Principal Balance thereof; and

(d) has a Moody's Rating which is equal to or higher than the rating of the sold Collateral Obligation;

provided that:

(i) to the extent the Aggregate Principal Balance of all Swapped Non-Discount Obligations held by the Issuer as at the date of determination exceeds 5.0 per cent. of the Collateral Principal Amount, such excess will not constitute Swapped

Non-Discount Obligations (and, for the avoidance of doubt, such excess will instead constitute Discount Obligations);

(ii) to the extent the cumulative Aggregate Principal Balance of all Swapped Non-Discount Obligations acquired by the Issuer on or after the Issue Date (for the avoidance of doubt, whether or not each such Swapped Non-Discount Obligation is currently held by the Issuer at the relevant time) exceeds 10.0 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 Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of par) for such Collateral Obligation (as determined by a third party source and not by the Collateral Manager) on each day during any period of 30 consecutive days since the acquisition of such Collateral Obligation equals or exceeds (x) for a loan, 90.0 per cent. or (y) for all other Collateral Obligations, 85.0 per cent.

"**Target Par Amount**" means €450,000,000.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer system (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**Transaction Documents**" means the Trust Deed (including these Conditions), the Agency Agreement, the Subscription Agreement, the Euroclear Security Agreement, the Collateral Management Agreement, each Hedge Agreement, the Risk Retention Letter, each Collateral Acquisition Agreement, each Participation Agreement, the Issuer Management Agreement, the Warehouse Termination Agreement, the Retention Securities Purchase Agreement, each PTC Purchase Agreement and any document supplemental thereto or issued in connection therewith.

"**Trustee Fees and Expenses**" means the fees and expenses and all other amounts payable to the Trustee pursuant to the Trust Deed 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 (including irrecoverable VAT thereon) properly incurred by the Trustee in respect of any Refinancing.

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Collateral Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Obligation or under which the holders or creditors under such Collateral Obligation are the beneficiaries.

"**Unfunded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Obligation or Delayed Drawdown Collateral Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

"**Unfunded Revolver Reserve Account**" means the account of the Issuer established and maintained with the Account Bank in the United Kingdom and in any event outside of The Netherlands 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 Obligations and Revolving Obligations.

"**Unhedged Obligation Haircut**" means, in the case of a Non-Euro Obligation which is not subject to a Currency Hedge Agreement:

(a) which is denominated in a Qualifying Non-Euro Obligation Currency, 85.0 per cent.; and

(b) which is denominated in a Qualifying Currency other than a Qualifying Non-Euro Obligation Currency, 70.0 per cent.

"**Unscheduled Principal Proceeds**" means (i) with respect to any Collateral Obligation (other than a Non-Euro Obligation), principal proceeds received by the Issuer prior to the Collateral Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Obligation); (ii) with respect to any Non-Euro Obligation subject to a Currency Hedge Agreement any amounts in Euro payable to the Issuer by the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of any unscheduled principal proceeds received in respect of any Collateral Obligation under the related Currency Hedge Transaction, and (iii) with respect to any Non-Euro Obligation which is not subject to a Currency Hedge Agreement, principal proceeds received by the Issuer prior to the Collateral Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Obligation) converted into Euro at the applicable Spot Rate.

"**Unsecured Senior Loan**" means a Collateral Obligation that:

(a) is a loan obligation senior to any unsecured, subordinated obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgment; and

(b) is not secured (i) by fixed 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 80.0 per cent. of the equity interests in the stock of an entity owning such fixed assets.

"**Unused Proceeds Account**" means an interest bearing account in the name of the Issuer with the Account Bank in the United Kingdom and in any event outside of The Netherlands into which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(iii) (*Unused Proceeds Account*).

"**U.S. Person**" means a U.S. person as such term is defined under Regulation S.

"**VAT**" means any tax imposed in conformity with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) and any other tax of a similar fiscal nature substituted for, or levied in addition to such tax whether in the European Union or elsewhere in any jurisdiction, together with any interest and penalties thereon.

"**Warehouse Arrangements**" means the warehouse financing arrangement entered into by the Issuer prior to the Issue Date to, *inter alia*, finance the acquisition of the Collateral Obligations prior to the Issue Date and related arrangements.

"**Warehouse Termination Agreement**" means the termination agreement dated on or about the Issue Date relating to the termination of the Warehouse Arrangements.

"**Weighted Average Floating Spread**" has the meaning given to it in the Collateral Management Agreement.

"**Written Resolution**" means any Resolution of the Holders in writing, as described in Condition 14 (*Meetings of Holders, 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 Securities of each Class will 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 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 Holder in respect of its registered holding of Securities. 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 Securities*

Title to the Securities passes upon registration of transfers in the Register in accordance with the provisions of the Agency Agreement and the Trust Deed. Securities will be transferable only on the books of the Issuer and its agents. The registered holder of any Securities 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. Interests in a Global Certificate will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System. The Issuer shall procure that the Register is kept and maintained outside the UK and that no copy of the Register is created, kept or maintained in the UK.

(c) *Transfer*

In respect of Securities represented by a Definitive Certificate, one or more Securities may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or the Transfer Agent, of the Definitive Certificate representing such Securities 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 Securities represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

(d) *Delivery of New Certificates*

Each new Definitive Certificate to be issued pursuant to Condition 2(c) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be sent by courier, at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d) (*Delivery of New Certificates*), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) *Transfer Free of Charge*

Transfer of Securities and Definitive Certificates representing such Securities in accordance with these Conditions on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the 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 Holder may require the transfer of a Security to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Security 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 Securities and entries on the Register will be made subject to the detailed regulations concerning the transfer of Securities scheduled to the Trust Deed, including, without limitation, that a transfer of Securities 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 Holders in accordance with Condition 16 (*Notices*)), is not prejudicial to the interests of the holders of the relevant Class of Securities. 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 Securities and will be sent by the Registrar to any Holder who so requests.

(h) *Forced Transfer of Rule 144A Notes*

If the Issuer determines at any time that a holder of Rule 144A Notes is a U.S. Person and 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, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its Securities 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 holder fails to sell or transfer its Rule 144A Notes within such period, such holder may be required by the Issuer to sell such Rule 144A Notes to a purchaser selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Rule 144A Notes and selling such Rule 144A Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Holder and each other person in the chain of title from the permitted Holder to the Non-Permitted Holder by its acceptance of an interest in the Rule 144A Notes agrees to co-operate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Holder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and none of the Issuer, the Trustee and the Registrar shall be liable to any person having an interest in the Securities sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Securities 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 Securities 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 Transfer pursuant to ERISA*

If any Holder is determined by the Issuer to be a Holder 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 25.0 per cent. Limitation set out in the Plan Asset Regulation (any such Holder a "**Non-Permitted ERISA Holder**"), the Non-Permitted ERISA Holder may be required by the Issuer to sell or otherwise transfer its Securities 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 Holder and each other Person in the chain of title from the Holder, by its acceptance of an interest in such Securities, agrees to cooperate with the Issuer, to the extent required to effect such transfers. Neither the Issuer, the Trustee nor the Registrar shall be liable to any Holder having an interest in the Securities 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.

(j) *Forced sale pursuant to FATCA*

The Issuer may force the sale of a Holder's Securities other than the Retention Securities in order to comply with FATCA, including Securities held by a Holder that fails to provide Holder FATCA Information or if the Issuer otherwise reasonably determines that a Holder's acquisition or holding of an interest in such a Security other than the Retention Securities would cause the Issuer to be unable to comply with FATCA (and such sale could be for less than its then fair market value) (such holder a "**Recalcitrant Holder**"). For these purposes, the Issuer shall have the right to sell a Holder's interest in its Securities in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA. If the Issuer elects to force such sale, the Issuer shall require the Holder to sell its Securities to a purchaser selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein. 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 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. Each Holder and each other person in the chain of title from the Holder to the Recalcitrant Holder by its acceptance of an interest in the Securities 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 Holder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer subject to the transfer restrictions set out herein, and none of the Issuer, the Trustee or the Registrar shall be liable to any person having an interest in the Securities sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Securities to provide any information required under FATCA.

(k) *Forced Transfer mechanics*

In order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced sale pursuant to FATCA*), the Issuer may, in the event that any Holder objects to or

otherwise prevents such transfer, repay any affected Securities of such Holder at par value together with accrued interest and issue replacement Securities to the relevant transferee and the Issuer, the Trustee, the Agents and the Registrar shall work with the Clearing Systems to take such action as may be necessary to effect such repayment and issue of replacement Securities.

(l) *Registrar authorisation*

The Holders hereby 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 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced sale pursuant to FATCA*) above without the need for any further express instruction from any affected Holder. The Holders 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) *Exchange of Voting/Non-Voting Notes*

The Class A Notes, Class B Notes, Class C Notes and Class D Notes may be in the form of a CM Voting Note, a CM Non-Voting Exchangeable Note or a CM Non-Voting Note.

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 voting on, any CM Replacement Resolution and any CM Removal Resolution. CM Non-Voting Exchangeable Notes and CM 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 Holder into CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Non-Voting Exchangeable Notes shall be exchangeable (a) upon request by the relevant Holder at any time into CM Non-Voting Notes or (b) into CM Voting Notes only in connection with the transfer of such Rated 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 Non-Voting Exchangeable Notes.

Any such right to exchange a Class A Note, Class B Note, Class C Note or Class D Note, as described and subject to the limitations set out in the immediately prior paragraph, may be exercised by a Holder 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.

3 Status

(a) *Status*

The Securities of each Class constitute direct, general, 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 Rated Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) *Relationship Among the Classes*

The Securities of each Class are constituted by the Trust Deed and the Rated Notes are secured on the Collateral as further described in the Trust Deed. Payments of interest on the Class A Notes will rank senior to payments of interest on each Payment Date in respect of each other Class; payment of interest on the Class B Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, but senior in right of payment to payments of interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates; payment of interest on the Class C Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes and the Class B Notes, but senior in right of payment to payments of interest on the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates; payment of interest on the Class D Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes and the Class C Notes, but senior in right of payment to payments of interest on the Class E Notes, the Class F Notes and the Participating Term Certificates; payment of interest on the Class E Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but senior in right of payment to payments of interest on the Class F Notes and the Participating Term Certificates; payment of interest on the Class F Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, but senior in right of payment to payments of interest on the Participating Term Certificates. Payment of interest on the Participating Term Certificates will be subordinated in right of payment to payment of interest in respect of the Rated Notes. Interest on the Participating Term Certificates shall be paid *pari passu* and without any preference amongst themselves. Payments of interest on the Class B-1 Notes and the Class B-2 Notes will rank *pari passu* in right of payment.

No amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class A Notes. No amount of principal in respect of the Class C Notes shall become due and payable until redemption and payment in full of the Class A Notes and the Class B Notes. No amount of principal in respect of the Class D Notes shall become due and payable until redemption and payment in full of the Class A Notes, Class B Notes and the Class C Notes. No amount of principal in respect of the Class E Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. No amount of principal in respect of the Class F Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. No amount of principal on the Participating Term Certificates shall become due and payable until redemption and payment in full of the Rated Notes. 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 Participating Term Certificates 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 Participating Term Certificates are subordinated to payments on the Rated Notes and other amounts described in the Priorities of Payment and no payments out of Principal Proceeds will be made on the Participating Term Certificates until the Rated Notes and other payments ranking prior to the Participating Term Certificates in accordance with the Priorities of Payment are paid in full.

(c) *Priorities of Payment*

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 delivery of an Acceleration Notice in accordance with Condition 10(b) (*Acceleration*) or an automatic acceleration of the maturity of the Securities in accordance with the Conditions; (ii) following delivery of an Acceleration Notice which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*); and (iii) other than in connection with an optional redemption in whole under Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption following Note Tax Event*) (in which event the Post-Acceleration Priority of Payments shall apply), cause the Account Bank to disburse Interest Proceeds and Principal Proceeds transferred to the Payment Account, in each case, in accordance with the following Priorities of Payment:

(i) *Application of Interest Proceeds*

Subject as further provided below, Interest Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment of: (i) *firstly*, taxes owing by the Issuer accrued to the related Due Period (other than Dutch corporate income tax in relation to the amounts equal to the minimum profit referred to in (ii) below) as certified by an Authorised Officer of the Issuer to the Collateral Administrator, if any (save for any VAT or any other tax payable in relation to any Collateral Management Fee or any other tax payable in relation to any amount payable to the Secured Parties (or any other persons) in accordance with the following paragraphs); and (ii) secondly, amounts equal to the minimum profit to be retained by the Issuer, for deposit into the Issuer Dutch Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period;

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above;

(D) to the Expense Reserve Account, at the Collateral Manager's discretion, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less (i) any amounts paid pursuant to paragraph (B) and (C) above and (ii) any amounts paid out of the Expense Reserve Account in respect of the related Due Period;

(E) to the payment:

(1) *firstly*, to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date (save for any Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts) 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 Investment 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 Obligations

or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations and (b) not be treated as unpaid for the purposes of this paragraph (E) or paragraph (X) below or in the case of (y), shall be applied to the payment of amounts in accordance with paragraphs (F) through (W) and (Y) through (CC) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts);

(F) to the payment on a *pro rata* basis, of any Scheduled Periodic Interest Rate Hedge Issuer Payments (to the extent not paid out of the Interest Account) and Scheduled Periodic Currency Hedge Issuer Payments (to the extent not paid from funds available in the applicable Currency Account) in each case due and payable to a Hedge Counterparty, and any Hedge Issuer Termination Payments (to the extent not paid out of the Hedge Account or the Currency Account and other than Defaulted Hedge Termination Payments);

(G) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class A Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class A 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 on such Payment Date and all other Interest Amounts due and payable on such Class B Notes;

(I) if (i) the Class A/B Par Value Test is not satisfied on any Determination Date on or after the Effective Date, 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, to the redemption of the Rated Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A/B Coverage Test to be satisfied if recalculated following such redemption;

(J) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class C Notes in respect of the Accrual Period ending on 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* and *pari passu* basis of any Deferred Interest on the Class C Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(L) if (i) the Class C Par Value Test is not satisfied on any Determination Date on or after the Effective Date, 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, to

the redemption of the Securities in accordance with the Note Payment Sequence to the extent necessary to cause each Class C Coverage Test to be satisfied if recalculated following such redemption;

(M) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class D Notes in respect of the Accrual Period ending on 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* and *pari passu* basis of any Deferred Interest on the Class D Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(O) if (i) the Class D Par Value Test is not satisfied on any Determination Date on or after the Effective Date, 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, to the redemption of the Rated Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test to be satisfied if recalculated following such redemption;

(P) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class E Notes in respect of the Accrual Period ending on 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* and *pari passu* basis of any Deferred Interest on the Class E Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(R) if (i) the Class E Par Value Test is not satisfied on any Determination Date on or after the Effective Date, or (ii) the Class E Interest Coverage Test is not satisfied on any Determination Date on or after the Determination Date immediately preceding the second Payment Date, to the redemption of the Rated Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class E Coverage Test to be satisfied if recalculated following such redemption;

(S) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class F Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(T) to the payment on a pro rata and pari passu basis of any Deferred Interest on the Class F Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(U) if the Class F Par Value Test is not satisfied on any Determination Date on and after the expiry of the Reinvestment Period, to the redemption of the Rated Notes in accordance with the Note Payment Sequence to the extent necessary to cause such Class F Par Value Test to be met if recalculated immediately following such redemption;

(V) on the Payment Date following the Effective Date and each Payment Date thereafter to the extent required, in the event of the occurrence of an Effective Date Rating Event which is continuing on the Business Day prior to such Payment Date, to redeem the Rated Notes in full in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing;

(W) if, on any Payment Date during the Reinvestment Period, after giving effect to the payment of all amounts payable in respect of paragraphs (A) to (V) (inclusive) above, the Reinvestment Overcollateralisation Test has not been met, to the payment to the Principal Account as Principal Proceeds for the acquisition of additional Collateral Obligations in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (x) 50.0 per cent. of all remaining Interest Proceeds available for payment and (y) the amount which, after giving effect to the said payment to the Principal Account, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied if recalculated immediately following such payment;

(X) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date 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 (X) (any such amounts, being "**Deferred Subordinated Investment 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 Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations and (b) not be treated as unpaid for the purposes of paragraph (E) above or this paragraph (X) or in the case of (y) shall be applied to the payment of amounts in accordance with paragraphs (Y) through (CC) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied;

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee; and

(3) *thirdly*, at the election of the Collateral Manager (in its sole discretion) to the Collateral Manager in payment of any previously Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts;

(Y) to the payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(Z) 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;

(AA) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Hedge Termination Payments due to any Currency Hedge Counterparty (to the extent not paid out of the Hedge Account) or Interest Rate Hedge Counterparty (to the extent not paid out of the Hedge Account);

(BB) during the Reinvestment Period at the direction and in the discretion of the Collateral Manager, to transfer to the Supplemental Reserve Account, any Supplemental Reserve Amount; and

(CC) **(1)** If the Incentive Management Fee IRR Threshold has not been reached, any remaining Interest Proceeds to the payment of interest on the Participating Term Certificates on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Participating Term Certificates held by Participating Term Certificateholders bore to the Principal Amount Outstanding of the Participating Term Certificates immediately prior to such redemption), until the Incentive Management Fee IRR Threshold is reached; and

(2) if, after taking into account all prior distributions to Participating Term Certificateholders and any distributions to be made to Participating Term Certificateholders on such Payment Date in accordance with the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, the Incentive Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) 20.0 per cent. of any remaining Interest Proceeds, to the payment to the Collateral Manager as an Incentive Management Fee;

(b) any VAT on the fee referred to in paragraph (a) above (whether payable to the Collateral Manager or directly to the relevant tax authority); and

(c) any Interest Proceeds remaining thereafter, to the payment of interest on the Participating Term Certificates on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Participating Term Certificates held by Participating Term Certificateholders bore to the Principal Amount Outstanding of the Participating Term Certificates 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 (H) (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 (I) 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 A/B Coverage Tests that are applicable on such Payment Date with respect to the Class A Notes and the Class B Notes to be met as of the related Determination Date;

(C) 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 C Notes are the Controlling Class;

(D) 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 C Notes are the Controlling Class;

(E) 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 met as of the related Determination Date;

(F) 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 D Notes are the Controlling Class;

(G) 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 D Notes are the Controlling Class;

(H) 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 met as of the related Determination Date;

(I) 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 E Notes are the Controlling Class;

(J) 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 E Notes are the Controlling Class;

(K) 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 Coverage Tests that are applicable on such Payment Date with respect to the Class E Notes to be met as of the related Determination Date;

(L) 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 and only to the extent that the Class F Notes are the Controlling Class;

(M) to the payment of the amounts referred to in paragraph (T) 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 F Notes are the Controlling Class;

(N) on and after the expiry of the Reinvestment Period, to the payment of the amounts referred to in paragraph (U) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class F Par Value Test that is applicable on such Payment Date to be met as of the related Determination Date;

(O) to the payment of the amounts referred to in paragraph (V) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder;

(P) 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;

(Q) **(1)** during the Reinvestment Period, at the discretion of the Collateral Manager (acting on behalf of the Issuer): (i) in the **purchase** of Substitute Collateral Obligations or (ii) to transfer to the Principal Account for investment in Eligible Investments pending reinvestment in Substitute Collateral Obligations at a later date, in each case in accordance with and subject to the provisions of the Collateral Management Agreement; and

(2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Obligations or to the Principal Account pending reinvestment in Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management Agreement;

(R) after the Reinvestment Period, to redeem the Rated Notes in accordance with the Note Payment Sequence;

(S) to the payment on a sequential basis of the amounts referred to in paragraphs (X) through (AA) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(T) to any Reinvesting Holder (whether or not any applicable Reinvesting Holder continues on the date of such payment to hold all or any portion of such Participating Term Certificates) in the amount of any Reinvestment Amounts contributed and not previously paid pursuant to this paragraph (T); and

(U) **(1)** if the Incentive Management Fee IRR Threshold has not been reached, any remaining Principal Proceeds to the payment on the Participating Term Certificates on a *pro rata* basis (determined

upon redemption in full thereof by reference to the proportion that the principal amount of the Participating Term Certificates held by Participating Term Certificateholders bore to the Principal Amount Outstanding of the Participating Term Certificates and immediately prior to such redemption), until the Incentive Management Fee IRR Threshold is reached; and

(2) if, after taking into account all prior distributions to Participating Term Certificateholders and any distributions to be made to Participating Term Certificateholders on such Payment Date including in accordance with the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, the Incentive Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) 20.0 per cent. of any remaining Principal Proceeds, to the payment to the Collateral Manager as an Incentive Management Fee;

(b) any value added tax on the fee referred to in paragraph (a) above (whether payable to the Collateral Manager or directly to the relevant tax authority); and

(c) any Principal Proceeds remaining thereafter, to the payment of principal on the Participating Term Certificates on a *pro rata* basis and, thereafter, to the payment of interest on a *pro rata* basis on the Participating Term Certificates (in each case, as determined upon redemption in full thereof by reference to the proportion that the principal amount of the Participating Term Certificates held by Participating Term Certificateholders bore to the Principal Amount Outstanding of the Participating Term Certificates immediately prior to such redemption).

(iii) *Taxation*

(A) If the Issuer must account for any VAT (whether to the recipient of any such payment or to the relevant tax authority) or amounts are withheld or deducted in respect of taxes or for any other taxes attributable to any of the items referred to in paragraph (B) to (CC)(1) of the Interest Proceeds Priority of Payments or paragraphs (A) to (U)(1) (inclusive) of the Principal Proceeds Priority of Payments set out above (other than in respect of payments of amounts referred to in 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.

(B) Where the payment of any amount in accordance with the Priorities of Payment set out above is subject to any deduction or withholding for or on account of any tax or any other tax is payable by or on behalf of the Issuer in respect of any such amount, payment of the amounts so deducted or withheld or of the tax so due shall be made to the relevant taxing authority pari passu with and, so far as possible, at the same time as the payment of the amount in respect of which the relevant deduction or withholding or other liability to tax has arisen.

(iv) *Reinvestment Amounts*

At any time during the Reinvestment Period, any holder of a Participating Term Certificate may notify the Issuer, the Trustee and the Collateral Manager that it proposes to make a cash contribution to the Issuer. The Collateral Manager, in consultation with such holder (but in the Collateral Manager's sole discretion), will determine (A) whether to accept any proposed Reinvestment Amount and (B) the Permitted Use to which such proposed Reinvestment Amount would be applied. The Collateral Manager will provide written notice of such determination to the applicable Reinvesting Holder(s) thereof and such Reinvestment Amount will be accepted by the Issuer. If such Reinvestment Amount is accepted by the Collateral Manager, it will be paid by the relevant Reinvesting Holder and deposited by the Issuer into the Supplemental Reserve Account and applied to a Permitted Use determined by the Collateral Manager. Any amount so deposited shall not earn interest and shall not increase the principal balance of the related Participating Term Certificates. Reinvestment Amounts will be paid to any applicable Reinvesting Holder on the first subsequent Payment Date Principal Proceeds are available therefor as provided in the Principal Proceeds Priority of Payments or that Interest Proceeds and Principal Proceeds are available therefor as provided in the Post-Acceleration Priority of Payments, as applicable. Any such proposed Reinvestment Amount is subject to the condition that:

(A) no more than a total of three Reinvestment Amounts may be effected in aggregate in respect of all Participating Term Certificates; and

(B) each Reinvestment Amount is in an amount no less than Euro 250,000.

(d) *Non-payment of Amounts*

Failure on the part of the Issuer to pay the Interest Amounts on the Class A Notes or the Class B Notes when the same becomes due and payable will constitute a Note Event of Default provided, in each case, the failure to pay such interest in such circumstances continues for a period of at least five Business Days (or ten Business Days in the case of an administrative error or omission as described in Condition 10(a)(i) (*Non payment of interest*)) and save, in each case, as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*).

Subject to Condition 10(a)(i) (*Non-payment of interest*), failure on the part of the Issuer to pay the Interest Amounts on the Class C Notes, Class D Notes, Class E Notes or Class F Notes pursuant to Condition 6 (*Interest*) 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 the circumstances giving rise to Deferred Interest pursuant to Condition 6(c) (*Deferral of Interest*).

Non-payment of amounts due and payable on the Participating Term Certificates as a result of the insufficiency of available 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 Security 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 by the Collateral Manager, the Trustee, the Collateral Administrator, the Account Bank or any Paying Agent, such failure continues for a period of at least ten Business Days after the Trustee 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 these 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, Class D Notes, Class E Notes and Class F Notes pursuant to Condition 6 (*Interest*) and save as otherwise provided in respect of any unpaid Collateral Management Fees (and value added tax payable in respect thereof), in the event of non payment of any amounts referred to in the Interest 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 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 Payment 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, cause the amounts standing to the credit of the Principal Account, the Unused Proceeds Account and if applicable the Interest Account and the Supplemental Reserve Account (together with, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) *De Minimis Amounts*

The Collateral Administrator may, in consultation with the Collateral Manager, adjust the amounts required to be applied in payment of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates from time to time pursuant to the Priorities of Payment so that the amount to be so applied in respect of each Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, Class F Note and the Participating Term Certificates is a whole amount, not involving any fraction of 0.01 Euro or, at the discretion of the Collateral Administrator, part of a Euro.

(g) *Publication of Amounts*

The Collateral Administrator will cause details 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 Securities to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Irish Stock Exchange by no later than 11.00 am (London time) on the Business Day following the applicable Payment Date and the Registrar shall procure that details of such amounts are notified at the expense of the Issuer to the Holders 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 Holders and (in the absence of bad faith, wilful misconduct and negligence) no liability to the Issuer or the Holders shall attach to the Collateral Administrator in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 3 (*Status*).

(i) *Accounts*

The Issuer shall, on or prior to the Issue Date, establish the following accounts with the Account Bank or (as the case may be) with the Custodian:

- the Principal Account;
- the Interest Account;
- the Unused Proceeds Account;
- the Payment Account;
- the Supplemental Reserve Account;
- the Expense Reserve Account;
- the Unfunded Revolver Reserve Account;
- the First Period Reserve Account;
- the Interest Smoothing Account;
- each Counterparty Downgrade Collateral Account;
- the Hedge Account;
- the Currency Account;
- the Custody Account; and
- the Collection Account.

The Account Bank and the Custodian shall at all times be a financial institution satisfying the Rating Requirement applicable thereto, which is not resident or which is acting through an office which is not situated, in The Netherlands but which has the necessary regulatory capacity and licences to perform the services required by it in The Netherlands. If the Account Bank 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.

Amounts standing to the credit of the Accounts (other than the Unfunded Revolver Reserve Account, each Counterparty Downgrade Collateral Account, the Collection Account and the Payment Account) from time to time may be invested by the Collateral Manager on behalf of the Issuer in Eligible Investments.

All interest accrued on any of the Accounts (other than 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 each Counterparty Downgrade Collateral Account) pursuant to the provisions of this Condition 3 (*Status*) are denominated in a currency other than Euro, the Collateral Manager, acting on behalf of the Issuer, may convert such amounts into the currency of the Account at the Spot Rate as determined by the Collateral Administrator at the direction of the Collateral Manager.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Expense Reserve Account, (iii) the Supplemental Reserve Account, (iv) all interest accrued on the Accounts, (v) the Interest Smoothing Account, (vi) the Currency Account (to the extent required to be paid to a Currency Hedge Counterparty in accordance with these Conditions) and (vii) each Counterparty Downgrade Collateral Account (to the extent required to be repaid to a Hedge Counterparty in accordance with these Conditions and the applicable Hedge Agreement)) shall be transferred to the Payment Account and shall constitute Principal Proceeds on the Business Day prior to any redemption of the Securities in full, and all amounts standing to the credit of each of the Interest Account, the Expense Reserve Account, the Supplemental Reserve Account, the Interest Smoothing Account and all interest accrued on the Accounts (other than each Counterparty Downgrade Collateral Account to the extent required to be repaid to a Hedge Counterparty in accordance with the Conditions and the applicable Hedge Agreement) shall be transferred to the Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Securities 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.

(j) *Payments to and from the Accounts*

(i) *Principal Account*

The Issuer will procure that the following Principal Proceeds are paid into the Principal Account promptly upon receipt thereof:

(A) all principal payments received in respect of any Collateral Obligation including, without limitation:

(1) Scheduled Principal Proceeds;

(2) amounts received in respect of any maturity, scheduled amortisation, mandatory prepayment or mandatory sinking fund payment on a Collateral Obligation;

(3) Unscheduled Principal Proceeds; and

(4) any other principal payments with respect to Collateral Obligations or Eligible Investments (to the extent not included in the Sale Proceeds),

but excluding (i) any such payments received in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, to the extent required to be paid into the Unfunded Revolver Reserve Account, (ii) principal proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account, (iii) any such payments received in respect of any Hedge Replacement Receipts or Hedge Counterparty Termination Payments to the extent required to be paid into the Hedge Account and (iv) any such payments received during the Initial Investment Period which shall be paid into the Unused Proceeds Account;

(B) all interest and other amounts received in respect of any Defaulted Obligation or any Mezzanine Obligation for so long as it is a Defaulted Obligation or a Defaulted Deferring Mezzanine Obligation (as applicable) (save for Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts) and amounts representing the element of deferred interest in any payments received in respect of any PIK Security;

(C) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Obligation at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Collateral Obligation;

(D) all fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations as determined by the Collateral Manager in its reasonable discretion;

(E) all Sale Proceeds received in respect of a Collateral Obligation but excluding any Sale Proceeds received during the Initial Investment Period which shall be paid into the Unused Proceeds Account;

(F) all Distributions and Sale Proceeds received in respect of Exchanged Equity Securities;

(G) all Collateral Enhancement Obligation Proceeds;

(H) all Purchased Accrued Interest;

(I) amounts transferred to the Principal Account from any other Account as required below;

(J) all proceeds received from any additional issuance of the Securities that are not invested in Collateral Obligations or required to be paid into the Interest Account or the Unused Proceeds Account and excluding the proceeds of any such additional issuance in connection with a Non-Consenting Amendment Redemption (such proceeds to be applied directly in the payment of the applicable Non-Consenting Amendment Redemption Price to the relevant Non-Consenting Holder);

(K) all amounts transferred from each Counterparty Downgrade Collateral Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Account*);

(L) all amounts transferred from the Supplemental Reserve Account;

(M) all amounts transferred from the Expense Reserve Account;

(N) all principal payments received in respect of any Non-Eligible Issue Date Collateral Obligation or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which have not been sold by the Collateral Manager in accordance with Collateral Management Agreement;

(O) all net proceeds of issuance of any Refinancing Obligations issued in accordance with Condition 7(b) (*Optional Redemption*);

(P) all amounts transferred to the Principal Account from the Currency Account pursuant to Condition 3(j)(ix) (*Currency Account*) following exchange of such amounts into Euros (to the extent not already in Euros) by the Issuer following consultation with the Collateral Manager;

(Q) 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*); and

(R) all cash payments of interest in respect of any Non-Eligible Issue Date Collateral Obligations or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and that have not been sold by the Collateral Manager, together with all amounts received by the Issuer by way of gross up or tax indemnity in respect of such interest and in respect of a claim under any applicable double taxation treaty in accordance with the Collateral Management Agreement.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Principal Account:

(1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal 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 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 or, if earlier, the date on which the Coverage Tests are satisfied 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 Obligations including amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Collateral Obligations which are required to be deposited in the Unfunded Revolver Reserve Account or any amounts payable to a Currency Hedge Counterparty in connection with the acquisition of a Non-Euro Obligation and entry into a related Currency Hedge Transaction;

(3) on any Payment Date 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, in payment of the purchase price of any Securities purchased by the Issuer in accordance with Condition 7(m) (*Purchase*); and

(4) on any Business Day on which a Refinancing has occurred, all amounts in respect of the proceeds of issuance of any Refinancing Obligations credited to the Principal Amount pursuant to sub-paragraph (O) above in redemption of the relevant Class or Classes of Rated Notes, subject to and in accordance with the applicable paragraphs of Condition 7(b) (*Optional Redemption*).

(ii) *Interest Account*

The Issuer will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof:

(A) all cash payments of interest in respect of the Collateral Obligations other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty but excluding (i) interest proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account and (ii) any interest received in respect of any Defaulted Obligations and Mezzanine Obligations for so long as they are Defaulted Obligations or Defaulted Deferring Mezzanine Obligations (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 (including interest on any Eligible Investments standing to the credit thereof and excluding any interest standing to the credit of each Counterparty Downgrade Collateral Account), other than any Purchased Accrued Interest in respect of Eligible Investments;

(C) all amendment and waiver fees, all late payment fees, all commitment fees, syndication fees, delayed compensation and all other fees and commissions received in connection with any Collateral Obligations and Eligible Investments as determined by the Collateral Manager in its reasonable discretion (other than fees and commissions received in connection with the purchase or sale of any Collateral Obligations or

Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations which fees and commissions shall be payable into the Principal Account and shall constitute Principal Proceeds);

(D) all accrued interest included in the proceeds of sale of any other Collateral Obligation that are designated by the Collateral Manager as Interest Proceeds pursuant to the Collateral Management Agreement (provided that no such designation may be made in respect of (i) any Purchased Accrued Interest, or (ii) any interest received in respect of (1) any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts or (2) a Defaulted Obligation save for Defaulted Obligation Excess Amounts);

(E) all proceeds received during the related Due Period from any additional issuance of Participating Term Certificates that are not reinvested or retained for reinvestment in Collateral Obligations and excluding the proceeds of any such additional issuance in connection with a Non-Consenting Amendment Redemption (such proceeds to be applied directly in the payment of the applicable Non-Consenting Amendment Redemption Price to the relevant Non-Consenting Amendment Holder);

(F) all amounts representing the element of deferred interest (other than Purchased Accrued Interest) in any payments received in respect of any Mezzanine Obligation which is not a Defaulted Deferring Mezzanine Obligation and which by its contractual terms provides for the deferral of interest;

(G) amounts transferred to the Interest Account from the Unused Proceeds Account in the circumstances described under Condition 3(j)(iii) (*Unused Proceeds Account*) below;

(H) all scheduled commitment fees received by the Issuer in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations;

(I) all amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Revolving Obligation or a Delayed Drawdown Collateral Obligation in an account established pursuant to an ancillary facility;

(J) all amounts transferred from the Supplemental Reserve Account;

(K) all amounts transferred from the Expense Reserve Account;

(L) any amounts payable to the Issuer under any Hedge Transaction in respect of interest save for Hedge Counterparty Termination Payments or Hedge Replacement Receipts;

(M) any cash received by the Issuer in respect of Swap Tax Credits; and

(N) any Interest Smoothing Amounts which are required to be transferred from the Interest Smoothing 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 Interest Account:

(1) on the Business Day prior to each Payment Date, all Interest Proceeds standing to the credit of the Interest Account (other than Swap Tax Credits) 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 in accordance with the terms of, and to the extent permitted under, the Collateral Management Agreement, in the acquisition of Collateral Obligations to the extent that any such acquisition costs represent accrued interest;

(3) at any time, to any Hedge Counterparty in payment of any Scheduled Periodic Interest Rate Hedge Issuer Payments;

(4) on any Business Day, at the discretion of the Collateral Manager, the amount of any properly incurred Administrative Expenses which have accrued and become due and payable; *provided that* any such payments shall only be permitted to be made out of the Interest Account if at the relevant time the balance standing to the credit of the Expense Reserve Account available to the Collateral Manager would be insufficient to make such payments in full (and any such credit balance is first applied toward making such payments); and *provided further* that the aggregate of all payments to be made on such date and all payments made prior to such date during the applicable Due Period pursuant to this paragraph (4) shall not exceed 25.0 per cent. of the Senior Expenses Cap applicable to the Payment Date immediately following such Due Period (where, for the purposes of this paragraph (4), the Senior Expenses Cap shall be calculated using the Collateral Principal Amount as at the date of the proposed payment out of the Interest Account);

(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; and

(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 Securities in full, any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account.

(iii) *Unused Proceeds Account*

The Issuer will procure that the following amounts are credited to the Unused Proceeds Account, as applicable:

(A) an amount equal to the net proceeds of issue of the Securities remaining after the payment of: (1) certain fees and expenses due and payable by

the Issuer on the Issue Date; (2) amounts payable into the Expense Reserve Account; and (3) amounts payable into the First Period Reserve Account; and

(B) all principal payments and Sale Proceeds received during the Initial Investment Period in respect of any Collateral Obligation including, without limitation:

(1) Scheduled Principal Proceeds;

(2) amounts received in respect of any maturity, scheduled amortisation, mandatory prepayment or mandatory sinking fund payment on a Collateral Obligation;

(3) Unscheduled Principal Proceeds; and

(4) any other principal payments with respect to Collateral Obligations or Eligible Investments (to the extent not included in the Sale Proceeds),

but excluding (i) any such payments received in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, to the extent required to be paid into the Unfunded Revolver Reserve Account, (ii) principal proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account, (iii) any such payments received in respect of any Hedge Replacement Receipts or Hedge Counterparty Termination Payments to the extent required to be paid into the Hedge Account and (iv) any such payments received during the Initial Investment Period which shall be paid into the Unused Proceeds Account; and

(C) all proceeds received during the Initial Investment Period from any additional issuance of Securities that are not invested in Collateral Obligations or paid into the Interest Account and excluding the proceeds of any such additional issuance in connection with a Non-Consenting Amendment Redemption (such proceeds to be applied directly in the payment of the applicable Non-Consenting Amendment Redemption Price to the relevant Non-Consenting Holder).

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 subledger of the Unused Proceeds Account:

(1) on or about the Issue Date, such amounts equal to the aggregate of:

(a) the purchase price for certain Collateral Obligations on or prior to the Issue Date, including pursuant to the Warehouse Arrangements (if any); and

(b) amounts required for repayment of any amounts borrowed by the Issuer (together with interest thereon) in order to finance the acquisition of certain Collateral Obligations on or prior to the Issue Date;

(2) at any time up to and including the last day of the Initial Investment Period, in accordance with the terms of, and to the extent permitted under, the Collateral Management Agreement, in the acquisition of Collateral Obligations;

(3) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment, in redemption of the Securities in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing; and

(4) on or after the Effective Date, the Initial Ratings of the Rated Notes having been confirmed (or deemed to have been confirmed in the case of such ratings by Moody's) by each Rating Agency, the Balance standing to the credit of the Unused Proceeds Account, to the Principal Account or the Interest Account, in each case, at the discretion of the Collateral Manager, acting on behalf of the Issuer, provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Obligations, the Aggregate Principal Balance of which equals or exceeds the Reinvestment Target Par Balance (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of Collateral Obligations subsequent to the Issue Date, to the extent not reinvested in Collateral Obligations, may be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its Fitch Collateral Value and its Moody's Collateral Value); and (ii) no more than one per cent. of the Collateral Principal Amount may be transferred to the Interest Account.

(iv) *Payment Account*

The Issuer will procure that, on the Business Day prior to each Payment Date, all amounts standing to the credit of each of the Accounts which are required to be transferred from the other accounts to the Payment Account pursuant to Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) are so transferred, and, on such Payment Date, the Collateral Administrator shall cause the Account Bank (acting on the basis of the Payment Date Report), to disburse such amounts in accordance with the Priorities of Payment. 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 each 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 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 not be commingled with any other funds from any other party.

Amounts standing to the credit of each Counterparty Downgrade Collateral Account will not be available for the Issuer to make payments to the Holders nor any other creditor of the Issuer (other than in the circumstances set out below). 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) out of the relevant Counterparty Downgrade Collateral Account;

(A) prior to the occurrence or designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" (as defined in such Hedge Agreement) entered into under such Hedge Agreement pursuant to which all such "Transactions" under such Hedge Agreement are terminated early, solely in or towards payment or transfer of:

(1) any "Return Amounts" (if applicable and as defined in such Hedge Agreement or the Credit Support Annex thereto);

(2) any "Interest Amounts" and "Distributions" (if applicable and each as defined in such Hedge Agreement or the Credit Support Annex thereto); and

(3) any other return or transfer of collateral or other payment amounts in the nature of interest or distributions in respect of collateral in accordance with the terms of such Hedge Agreement (including without limitation in connection with any permitted novation or other transfer of the Hedge Counterparty's obligations thereunder),

directly to the Hedge Counterparty in accordance with the terms of such Hedge Agreement (including, if applicable, the Credit Support Annex thereto);

(B) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early where (A) the relevant Hedge Counterparty is a Defaulting Hedge Counterparty and (B) the Issuer enters into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) *first*, in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Account);

(2) *second*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Account); and

(3) *third*, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account;

(C) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early (A) other than where the relevant Hedge Counterparty is a Defaulting Hedge Counterparty and where (B) the Issuer enters into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) *first*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Account);

(2) *second*, in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Account); and

(3) *third*, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account,

(D) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early and if the Issuer, or the Collateral Manager on its behalf, determines not to replace such terminated "Transactions" and Rating Agency Confirmation is received in respect of such determination or termination of such "Transactions" occurs on a Redemption Date or if for any reason the Issuer is unable to enter into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) *first*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Account); and

(2) *second*, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account.

(vi) *Supplemental Reserve Account*

The Issuer will procure that, on each Payment Date, any Supplemental Reserve Amount applied in payment into the Supplemental Reserve Account pursuant to

paragraph (BB) of the Interest Proceeds Priority of Payments or through a contribution of a Reinvestment Amount by a Reinvesting Holder, is credited to the Supplemental Reserve Account.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Supplemental Reserve Account:

(1) at any time, to the Principal Account for either (x) during the Reinvestment Period to reinvest in Substitute Collateral Obligations or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of 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;

(4) at any time during the Reinvestment Period, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to purchase any Rated Notes in accordance with Condition 7(m) (*Purchase*);

(5) on the occurrence of an Effective Date Rating Event, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment, in redemption of the Rated Notes in accordance with the Note Payment Sequence or, if earlier until an Effective Date Rating Event is no longer continuing; and

(6) the Balance standing to the credit of the Supplemental Reserve Account to the Payment Account for distribution on such Payment Date in accordance with the Principal 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 Securities in accordance with Condition 10(b) (*Acceleration*),

each of the foregoing being a "**Permitted Use**".

(vii) *The Unfunded Revolver Reserve Account*

The Issuer shall procure the following amounts are paid into the Unfunded Revolver Reserve Account:

(A) upon the acquisition by or on behalf of the Issuer of any Revolving Obligation or Delayed Drawdown Collateral Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the Unfunded Revolver Reserve Account to be at least equal to the

combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Collateral Obligation) less amounts posted thereafter as collateral (which do not constitute Funded Amounts), in each case, pursuant to paragraph (2) below;

(B) all principal payments received by the Issuer in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, if and to the extent that the amount of such principal payments may be re-borrowed under such Revolving Obligation or Delayed Drawdown Collateral Obligation or otherwise by the Collateral Manager, acting on behalf of the Issuer; and

(C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to paragraph (2) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the Unfunded Revolver Reserve Account:

(1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Obligation or Revolving Obligation;

(2) in respect of Delayed Drawdown Collateral Obligations or Revolving Obligations, all amounts required to be deposited in the Issuer's name with any third party which satisfies the Rating Requirement applicable to an Account Bank (or if the third party does not satisfy the Rating Requirement applicable to an Account Bank, subject to receipt of Rating Agency Confirmation) as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation (subject to such security documentation as may be agreed between such lender, the Collateral Manager acting on behalf of the Issuer and the Trustee);

(3) (x) at any time at the direction of the Collateral Manager (acting on behalf of the Issuer) or (y) upon the sale (in whole or in part) of a Revolving Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (a) the amount standing to the credit of the Unfunded Revolver Reserve Account over (b) the sum of the Unfunded Amounts of all Revolving Obligations and Delayed Drawdown Collateral Obligations after taking into account such sale or such reduction, cancellation or expiry of such commitment or notional amount to the Principal Account; and

(4) all interest accrued on the Balance standing to the credit of the Unfunded Revolver Reserve Account from time to time (including capitalised interest received upon the sale, maturity or termination of any Eligible Investment) to the Interest Account following conversion thereof into Euros to the extent necessary.

(viii) *Hedge Account*

The Issuer will procure that all Hedge Counterparty Termination Payments and Hedge Replacement Receipts are paid into the relevant Hedge 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 Account in payment as provided below:

(A) at any time, in the case of any Hedge Replacement Receipts paid into the relevant Hedge Account, in payment of any Hedge Issuer 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 Counterparty Termination Payments paid into the relevant Hedge Account, in payment of any Hedge Replacement Payment and any other amounts payable by the Issuer upon entry into a Replacement Hedge Transaction in accordance with the Collateral Management Agreement; and

(C) in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Account, in the event that:

(1) the Issuer, or the Collateral Manager on its behalf, determines not to replace the Hedge Transaction (or part thereof) and Rating Agency Confirmation is received in respect of such determination (other than where such determination is made in connection with a Currency Hedge Transaction which has been terminated (in whole or in part) solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation); or

(2) termination of the Hedge Transaction (or part thereof) under which such Hedge Counterparty Termination Payments are payable occurs on a Redemption Date; or

(3) to the extent that such Hedge Counterparty Termination Payments are not required for application towards costs of entry into a Replacement Hedge Transaction,

in payment of such amounts (save for accrued interest thereon) to the Principal Account.

(ix) *Currency Account*

The Issuer will procure that all amounts received in respect of any Non-Euro Obligations to the extent not required to be paid directly to the Interest Account, Principal Account or the Hedge Account (in respect of Hedge Replacement Receipts or Hedge Counterparty Termination Payments) and all initial payments from the Currency Hedge Counterparty in connection with the acquisition of a Non-Euro Obligation and entry into a related Currency Hedge Transaction in each case are paid into the appropriate sub-account of the Currency Account in the currency of receipt thereof.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Currency Account:

(A) at any time, all amounts payable by the Issuer to the Currency Hedge Counterparty under any Currency Hedge Transaction save for Defaulted Currency Hedge Termination Payments and Hedge Replacement Payments;

(B) at any time all amounts payable by the Issuer, subject to the terms hereof and the Collateral Management Agreement, in connection with the acquisition of a Non-Euro Obligation; and

(C) the Balance standing to the credit of the Currency Account shall be converted into Euros by the Issuer following consultation with the Collateral Manager and transferred to the Principal Account in accordance with paragraph (P) of Condition 3(j)(i) (*Principal Account*).

(x) *Expense Reserve Account*

The Issuer shall procure that the following amounts are paid into the Expense Reserve Account:

(A) on the Issue Date, an amount determined on the Issue Date for the payment of amounts due or accrued in connection with the issue of the Securities and the entry into the Transaction Documents, in accordance with (1) below; and

(B) any amount applied in payment into the Expense Reserve Account pursuant to paragraph (D) of the Interest Proceeds Priority of Payments.

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Expense Reserve Account:

(1) amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of Securities and the entry into the Transaction Documents;

(2) amounts standing to the credit of the Expense Reserve Account on or after the Determination Date immediately preceding the first Payment Date may be transferred to the Principal Account and/or the Interest Account in the sole discretion of the Issuer (or the Collateral Manager acting on its behalf); and

(3) at any time, the amount of any Trustee Fees and Expenses and 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.

(xi) *First Period Reserve Account*

The Issuer shall procure that on the Issue Date €750,000 is paid into the First Period Reserve Account.

The Issuer shall procure that one Business Day prior to the first Payment Date falling after the Issue Date, all amounts standing to the credit of the First Period Reserve Account (including all interest accrued thereon) shall be transferred to

the Payment Account for disbursement pursuant to the Interest Proceeds Priority of Payments.

(xii) *Interest Smoothing Account*

On the Business Day following each Determination Date save for:

(A) the first Determination Date following the Issue Date;

(B) a Determination Date following the occurrence of a Note Event of Default which is continuing;

(C) the Determination Date immediately prior to any redemption of the Rated Notes in full; and

(D) any Determination Date on or following the occurrence of a Frequency Switch Event,

the Interest Smoothing Amount (if any) 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) *Collection Account*

The Issuer shall procure that all amounts received in respect of any Collateral are credited to the Collection Account. The Issuer shall procure that the Collateral Administrator and the Account Bank transfer all amounts standing to the credit of the Collection Account to the Accounts such funds are required to be credited to in accordance with Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) on a daily basis, such that the balance standing to the credit of the Collection Account at the end of each Business Day is zero.

4 Security

(a) *Security*

Pursuant to the Trust Deed, the obligations of the Issuer under the Rated Notes, the Trust Deed, the Subscription Agreement, the Agency Agreement and the Collateral Management Agreement (together with the obligations owed by the Issuer to the other Secured Parties) are secured in favour of the Trustee for the benefit of the Secured Parties by:

(i) an assignment by way of security of all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Equity Securities, Exchanged Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than each Counterparty Downgrade Collateral Account), and any other investments (other than Counterparty Downgrade Collateral), in each case held by the Issuer from time to time (where such rights are contractual rights (other than contractual rights the assignment of which would require the consent of a third party or the entry by the Trustee into an intercreditor agreement or deed) and where such contractual rights arise other

than under securities), including, without limitation, moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a first fixed charge and first priority security interest granted over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Equity Securities, Exchanged Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than each Counterparty Downgrade Collateral Account) and any other investments (other than Counterparty Downgrade Collateral), in each case held by the Issuer (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above 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 each Counterparty Downgrade Collateral Account) and all moneys from time to time standing to the credit of such Accounts (other than each Counterparty Downgrade Collateral Account) 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 any 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, subject, in each case, to the rights of any Hedge Counterparty to Counterparty Downgrade Collateral pursuant to the terms of the relevant Hedge Agreement and these Conditions and any first priority security interest granted by the Issuer to the relevant Hedge Counterparty in relation thereto;

(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 Currency Hedge Agreement and each Interest Rate Hedge Agreement and each Currency Hedge Transaction and Interest Rate Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Currency Hedge Agreement or Interest Rate Hedge Agreement), provided that such assignment by way of

security is without prejudice to, and after giving effect to, any contractual netting or set-off provision contained in the relevant Hedge Agreement and shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the terms thereof and is without prejudice to, and after giving effect to, any contractual netting or set-off provisions 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 Securities (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 any other Transaction Document 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) (inclusive) above:

(A) any and all assets, property or rights which are located in, or governed by the laws of, The Netherlands (except for contractual rights or receivables (*rechten of vorderingen op naam*) which are assigned or charged to the Trustee pursuant to (i) to (xiii) above;

(B) any and all assets, property or rights which are pledged pursuant to the Euroclear Security Agreements;

(C) any and all Dutch Ineligible Securities;

(D) the Issuer's rights under the Issuer Management Agreement; and

(E) any and all amounts standing to the credit of the Issuer Dutch Account.

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 the Secured Obligations, 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 the relevant Hedge Counterparty) when such collateral is expressed to be available to the Issuer and (if a title transfer arrangement) to the extent that no equivalent amount is owed to the relevant Hedge Counterparty pursuant to the relevant Hedge Agreement and/or Condition 3(j)(v) (*Counterparty Downgrade Collateral Account*). The security will extend to the ultimate balance of all sums payable by the

Issuer in respect of the above, regardless of any intermediate payment or discharge in whole or in part.

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed 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 to the fullest extent permitted under Dutch or any other mandatory law the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together, the "**Trust Collateral**") on trust for the Trustee for the benefit of the Secured Parties and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (provided that, subject to the Conditions and the terms of the Collateral Management 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 Counterparty Downgrade Collateral Account and any Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the relevant Counterparty Downgrade Collateral Account as security for the Issuer's obligations to repay, return or apply such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement and these Conditions (subject to such security documentation as may be agreed between such third party, the Collateral Manager acting on behalf of the Issuer and the Trustee); and/or

(2) by way of first priority security interest over amounts representing all or part of the Unfunded Amount of any Revolving Obligation or Delayed Drawdown Collateral Obligation and deposited in its name with a third party as security for any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation, subject to the terms of Condition 3(j)(vii) (*The Unfunded Revolver Reserve Account*) (including Rating Agency Confirmation),

excluding for the purposes of (1) and (2) (inclusive) above: (a) any and all assets, property or rights which are located in, or governed by the laws of, The Netherlands; and (b) any and all Dutch Ineligible Securities.

All deeds, documents, assignments, instruments, bonds, notes, negotiable instruments, papers and any other instruments comprising, evidencing, representing and/or transferring the Portfolio will be deposited with or held by or on behalf of the Custodian until the security over such obligations is irrevocably discharged in accordance with the provisions of the Trust Deed. In the event that the ratings of the Custodian are downgraded to below the Rating Requirement or withdrawn, the Issuer shall use reasonable endeavours to procure that a replacement Custodian with the Rating Requirement 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 Custodian satisfies the Rating Requirement applicable to it or, in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement custodian. The Trustee has no responsibility for the management of the Portfolio by the Collateral Manager or to supervise the administration of the Portfolio by the Collateral Administrator or by any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

Pursuant to the Euroclear Security Agreement, the Issuer has also created in favour of the Trustee (as a Secured Party and as agent and representative of certain other Secured Parties), a Belgian law pledge over the Collateral Obligations from time to time held by the Custodian on behalf of the Issuer in Euroclear.

Each Holder from time to time (including, but not limited to, the Initial Purchaser) appoints the Trustee as its agent and representative under and in connection with the security created or expressed to be created under the Transaction Documents.

(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 and the Euroclear Security Agreement shall be applied in accordance with the priorities of payment 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 Securities and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payment. Notwithstanding anything to the contrary in these Conditions or any other Transaction Document, if the net proceeds of realisation of the security constituted by the Trust Deed and the Euroclear Security Agreement, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed or otherwise are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Securities and to the other Secured Parties (such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the Rated Notes of each Class, its obligations to the other Secured Parties and the Participating Term Certificateholders in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payment. In such circumstances, the other assets (including the Issuer Dutch Account and its rights under the Issuer Management Agreement) of the Issuer will not be available for payment of such shortfall which shall be borne by the Class A Holders, the Class B Holders, the Class C Holders, the Class D Holders, the Class E Holders, the Class F Holders, the Reinvesting Holders (if any), the other Secured Parties and the Participating Term Certificateholders in accordance with the Priorities of Payment (applied in reverse order). In such circumstances the rights of the Secured Parties and the Participating Term Certificateholders to receive any further amounts in respect of such obligations shall be extinguished and none of the Holders of each Class of Rated Notes or the other Secured Parties or the Participating Term Certificateholders may take any further action to recover such amounts. None of the Holders of any Class, the Trustee, the other Secured Parties or the Participating Term Certificateholders (or any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer, any bankruptcy, reorganisation, arrangement, insolvency, winding up or liquidation

proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Securities of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed and the Euroclear Security Agreement (including by appointing a receiver or an administrative receiver).

In addition, none of the Holders of Rated Notes or any of the other Secured Parties or the Participating Term Certificateholders shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligations, covenants or agreement entered into or made by the Issuer pursuant to the terms of these Conditions or any other Transaction Document to which the Issuer is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

None of the Trustee, the Managing Directors, the Initial Purchaser, the Collateral Manager or any Agent has any obligation to any Holder of any Class for payment of any amount by the Issuer in respect of the Securities of any Class.

(d) *Acquisition and Sale of Portfolio*

The Collateral Manager is required to manage the Portfolio and to act in specific circumstances in relation to the Portfolio on behalf of the Issuer pursuant to the terms of, and subject to the parameters set out in, the Collateral Management Agreement and subject to the overall supervision and control of the Issuer. The duties of the Collateral Manager with respect to the Portfolio include (amongst others) the use of reasonable endeavours to:

(i) purchase Collateral Obligations on or prior to the Issue Date and during the Initial Investment Period;

(ii) invest the amounts standing to the credit of the Accounts (other than each Counterparty Downgrade Collateral Account, the Unfunded Revolver Reserve Account and the Payment Account) in Eligible Investments; and

(iii) sell certain of the Collateral Obligations and reinvest the Principal Proceeds received in Substitute Collateral Obligations in accordance with the criteria set out in the Collateral Management Agreement.

The Collateral Manager is required to monitor the Collateral Obligations with a view to seeking to determine whether any Collateral Obligation has converted into, or been exchanged for, an Exchanged Equity Security or Defaulted Obligation, provided that, if it fails to do so, it will not have any liability to the Issuer except by reason of acts constituting fraud, bad faith, wilful misconduct or gross negligence (such term having the meaning given to it under New York law) in the performance of its obligations. No Holder shall have any recourse against any of the Issuer, the Collateral Manager, the Collateral Administrator, the Custodian, the Principal Paying Agent, the Registrar or the Trustee for any loss suffered as a result of such failure.

Under the Collateral Management Agreement, certain Classes of Securities (other than CM Non-Voting Exchangeable Notes and CM Non-Voting Notes) have certain rights in respect of the removal of the Collateral Manager and the appointment of a replacement collateral manager.

(e) *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. The Collateral Manager, at its discretion and to the extent required by the Conditions or the other Transaction Documents, shall reconfirm conformity with Eligibility Criteria and the Reinvestment Criteria of the Collateral Obligation in question.

(f) *Information Regarding the Collateral*

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is made available within two Business Days of publication, to each Holder of each Class upon request in writing therefor (in the form prescribed under the Trust Deed) and that copies of each such Report are made available to the Trustee, the Collateral Manager, the Initial Purchaser, the Hedge Counterparties and each Rating Agency within two Business Days of publication thereof.

5 Covenants of and Restrictions on the Issuer

(a) *Covenants of the Issuer*

Unless otherwise provided and as more fully described in the Trust Deed, the Issuer covenants to the Trustee on behalf of the holders of the Securities that, for so long as any Security 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 Issuer Management Agreement;

(F) under the Collateral Acquisition Agreements;

(G) under the Risk Retention Letter;

(H) under the Hedge Agreements;

(I) under the Euroclear Security Agreement (if applicable); and

(J) under each other Transaction Document;

(ii) comply with its obligations under the Securities, the Trust Deed, the Agency Agreement, the Collateral Management 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 (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, irrespective of whether such activities constitute a permanent establishment or not, and for this purpose "permanent establishment" shall be construed pursuant to section 1141 of the Corporation Tax Act 2010) or register as a company in the United Kingdom or the United States;

(v) prior to any time that:

(A) the Issuer would acquire or receive any asset in connection with a workout or restructuring of a Collateral Obligation that would cause the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes or subject to U.S. federal tax on a net income basis; or

(B) any Collateral Obligation is modified in a manner that would cause the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes or subject to U.S. federal tax on a net income basis,

the Issuer will sell the right to receive such asset or Collateral Obligation that is the subject of the workout, restructuring or modification;

(vi) conduct its business and affairs such that, at all times:

(A) it shall maintain its registered office in The Netherlands;

(B) it shall hold all meetings of its board of directors in The Netherlands and ensure that all of its directors are resident in The Netherlands for tax purposes, that they will exercise their control over the business and the Issuer independently and that those directors (acting independently) exercise their authority only from and within The Netherlands by taking all key decisions relating to the Issuer in The Netherlands;

(C) it shall not open any office or branch or place of business outside of The Netherlands;

(D) it shall not knowingly take any action (save to the extent necessary for the Issuer to comply with its obligations under the Transaction Documents) which will cause its "centre of main interests" (within the meaning of European Council Regulation No. 1346/2000 on Insolvency Proceedings (the "**Insolvency Regulations**")), to be located in any jurisdiction other than The Netherlands and will not establish any offices, branches or other permanent establishments (as defined in the Insolvency Regulations) or register as a company in any jurisdiction other than The Netherlands;

(vii) pay its debts generally as they fall due, subject to and in accordance with the Priorities of Payment;

(viii) do all such things as are necessary to maintain its corporate existence;

(ix) use its best endeavours to obtain and maintain the listing on the Global Exchange Market of the Irish Stock Exchange of the outstanding Securities 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 Securities 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 Securities on such other stock exchange(s) as it may (with the approval of the Trustee) decide, provided that such stock exchange is a recognised stock exchange within the meaning of Section 64 of the Taxes Consolidation Act 1997 of Ireland;

(x) supply such information to the Rating Agencies as they may reasonably request;

(xi) ensure that its tax residence is and remains at all times solely in The Netherlands; and

(xii) ensure an agent is appointed to assist in creating and maintaining the Issuer's website to enable the Rating Agencies to comply with Rule 17g-5.

(b) *Restrictions on the Issuer*

As more fully described in the Trust Deed, for so long as any of the Securities remain Outstanding, save as contemplated in the Transaction Documents, the Issuer covenants to the holders of such Outstanding Securities that (to the extent applicable) it will not, without the prior written consent of the Trustee (and in the case of (viii) and (ix) only, subject to receipt of Rating Agency Confirmation from Moody's):

(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, a Hedge Agreement, these Conditions or the Transaction Documents;

(iii) engage in any business other than:

(A) acquiring and holding any property, assets or rights that are capable of being effectively charged 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 Securities;

(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, each other Transaction Document and any Reporting Delegation Agreement 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 Securities 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, the Issuer Management Agreement or any other Transaction Document to which it is a party (save in accordance with these Conditions and the Trust Deed);

(vi) incur any indebtedness for borrowed money, other than in respect of:

(A) the Securities (including the issuance of additional Securities pursuant to Condition 17 (*Additional Issuances*)) or any document entered into in connection with the Securities or the sale thereof or any additional Securities or the sale thereof;

(B) any Refinancing; or

(C) as otherwise contemplated or permitted pursuant to the Trust Deed or the Collateral Management Agreement;

(vii) amend its articles of association;

(viii) have any subsidiaries or establish any offices, branches or other "establishment" (as that term is used in article 2(h) of the Insolvency Regulations) outside of The Netherlands;

(ix) have any employees (for the avoidance of doubt the Managing Directors 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 and except for distributions payable to the Foundation;

(xii) issue any shares (other than such shares 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) enter into any lease in respect of, or own, premises; or

(xvi) act as an entity that issues notes to investors and uses the proceeds to grant new loans on its own account, but rather purchases loans from another lender.

6 Interest

(a) *Payment Dates*

(i) *Rated Notes*

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes each bear interest from (and including) the Issue Date and at any time prior to the occurrence of a Frequency Switch Event such interest will be payable quarterly and at any time following the occurrence of a Frequency Switch Event such interest will be payable semi-annually (or, in the case of interest accrued during the initial Accrual Period, for the period from (and including) the Issue Date to (but excluding) the Payment Date falling in October 2016) in arrear on each Payment Date.

(ii) *Participating Term Certificates*

Interest shall be payable on the Participating Term Certificates to the extent funds are available in accordance with paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (U) of the Principal Proceeds Priority of Payments and paragraph (AA) of the Post-Acceleration Priority of Payments on each Payment Date or other relevant payment date and shall continue to be payable in accordance with this Condition 6 (*Interest*) notwithstanding redemption in full of any Participating Term Certificate at its applicable Redemption Price.

Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Participating Term Certificates 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 Securities remains Outstanding at all times and any amounts which are to be applied in redemption of each such Class of Securities pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute interest payable in respect of such Securities 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 Securities shall be redeemed in full on the date on which all of the Collateral securing the Securities has been realised and is to be finally distributed to the Holders.

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 Participating Term Certificates but shall only be payable on any Payment Date or other payment date following payment in full

of amounts payable pursuant to the Priorities of Payment on such Payment Date or other payment date.

(b) *Interest Accrual*

(i) *Rated Notes*

Each Rated Note (or, as the case may be, the relevant part thereof due to be redeemed) will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Rated Note up to that day are received by or on behalf of the relevant Holder and (B) the day following seven days after the Trustee or the Principal Paying Agent has notified the Holders of such Class of Securities in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Securities 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) *Participating Term Certificates*

Payments on the Participating Term Certificates will cease to be payable in respect of each Participating Term Certificate 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 Payment.

(c) *Deferral of Interest*

Subject to the next paragraph of this Condition 6(c) (*Deferral of Interest*), 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, the Class E Notes or the Class F 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 Payment.

Notwithstanding the previous paragraph of this Condition 6(c) (*Deferral of Interest*):

(i) following redemption and payment in full of the Class A Notes and the Class B Notes, and provided that a Frequency Switch Event has occurred, the Issuer shall be obliged to pay any Interest Amount payable in respect of the Class C Notes when the same becomes due and payable in accordance with Condition 6(a)(i) (*Rated Notes*);

(ii) following redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes, and provided that a Frequency Switch Event has occurred, the Issuer shall be obliged to pay any Interest Amount payable in respect of the Class D Notes when the same becomes due and payable in accordance with Condition 6(a)(i) (*Rated Notes*);

(iii) following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, and provided that a Frequency Switch Event has occurred, the Issuer shall be obliged to pay any Interest Amount payable in respect of the Class E Notes when the same becomes due and payable in accordance with Condition 6(a)(i) (*Rated Notes*); and

(iv) following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, and provided that a Frequency Switch Event has occurred, the Issuer shall be obliged to pay any Interest Amount payable in respect of the Class F Notes when the same becomes due and payable in accordance with Condition 6(a)(i) (*Rated Notes*).

In the case of the Class C Notes, the Class D Notes, the Class E Notes or the Class F 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 on any Payment Date (and is not otherwise due and payable pursuant to the second paragraph of this Condition 6(c) (*Deferral of Interest*)) (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, the Class E Notes or the Class F Notes, as applicable, and thereafter will accrue interest at the rate of interest applicable to that Class, and the failure to pay such Deferred Interest to holders of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable, will not be a Note Event of Default until the Maturity Date or any earlier date on which the Rated Notes are to be redeemed in full.

Each Rated Note (or, as the case may be, the relevant part thereof due to be redeemed) will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused.

(d) *Payment of Deferred Interest*

Deferred Interest in respect of any Class C Note, Class D Note, Class E Note or Class F Note shall only become payable by the Issuer in accordance with the relevant paragraphs of the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Post-Acceleration Priority of Payments and under the Note Payment Sequence in each place specified in the Priorities of Payment, to the extent that Interest Proceeds or Principal Proceeds, as applicable, or, where applicable, other net proceeds of enforcement of the security over the Collateral, are available to make such payment in accordance with the Priorities of Payment (and, if applicable, the Note Payment Sequence). Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and/or the Class F Notes, as applicable will be added to the principal amount of the relevant Class, as applicable. An amount equal to any such Deferred Interest so paid shall be subtracted from the principal amount of the Class C Notes, the Class D Notes, the Class E Notes and/or the Class F Notes, as applicable.

(e) *Interest on the Rated Notes*

(i) *Floating Rate of Interest*

The rate of interest from time to time in respect of the Class A Notes (the "**Class A Floating Rate of Interest**"), in respect of the Class B-1 Notes (the "**Class B-1 Floating Rate of Interest**"), in respect of the Class C Notes (the "**Class C Floating Rate of Interest**"), in respect of the Class D Notes (the "**Class D Floating Rate of Interest**"), in respect of the Class E Notes (the "**Class E Floating Rate of Interest**") and in respect of the Class F Notes (the "**Class F Floating Rate of Interest**") (and each a "**Floating Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(A) On each Interest Determination Date:

(1) in the case of the initial Accrual Period, the Calculation Agent will determine a straight line interpolation of the offered rate for nine month and twelve month Euro deposits;

(2) in the case of each Interest Determination Date, other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, the Calculation Agent will determine (i) the offered rate for six month Euro deposits and (ii) the offered rate for three month Euro deposits; and

(3) in the case of each Interest Determination Date following the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for six month Euro deposits,

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question. Such offered rate will be that which appears on the display designated on the Bloomberg Screen "BTMM EU" Page (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest, and the Class F Floating Rate of Interest for each Accrual Period shall be the aggregate of the Applicable Margin (as defined below) and in respect of (i) the initial Accrual Period, the rate referred to in paragraph (1) above; and (ii) each six month Accrual Period, the rate referred to in paragraph (2)(i) or paragraph (3) above (as applicable); and (iii) each three month Accrual Period, the rate referred to in paragraph (2)(ii), above, in each case as determined by the Calculation Agent;

(B) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks in the Euro zone interbank market acting in each case through its principal Euro zone office (the "**Reference Banks**") to provide the Calculation Agent with its offered quotation to leading banks for Euro deposits in the Euro zone interbank market:

(1) in the case of the initial Accrual Period, for a straight line interpolation of the offered quotation for nine month and twelve month Euro deposits;

(2) in respect of each Interest Determination Date, other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, for a period of (i) six months and (ii) three months; and,

(3) in respect of each Interest Determination Date following the occurrence of a Frequency Switch Event, for a period of six months,

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question. The Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest, and the Class F Floating Rate of Interest for such 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 in respect of (i) the initial Accrual Period, the rate referred to in paragraph (1) above; and (ii) each six month Accrual Period, the rate referred to in paragraph (2)(i) or paragraph (3) above (as applicable); and (iii) each three month Accrual Period, the rate referred to in paragraph (2)(ii), above (or of such quotations, being at least two, as are so provided), all as determined by the Calculation Agent;

(C) If on any Interest Determination Date one only or none of the Reference Banks provides such quotation, the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest, and the Class F Floating Rate of Interest, respectively, for the next Accrual Period shall be the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest, and the Class F Floating Rate of Interest in each case in effect as at the immediately preceding Accrual Period provided that in respect of any Accrual Period in which a Frequency Switch Event occurs, the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest shall be calculated using the offered rate for six month Euro deposits using the rate available as at the previous Interest Determination Date; and

(D) Where:

"**Applicable Margin**" means:

(1) in the case of the Class A Notes: 1.50 per cent. per annum (the "**Class A Margin**");

(2) in the case of the Class B-1 Notes: 2.30 per cent. per annum (the "**Class B-1 Margin**");

(3) in the case of the Class C Notes: 3.10 per cent. per annum (the "**Class C Margin**");

(4) in the case of the Class D Notes: 3.65 per cent. per annum (the "**Class D Margin**");

(5) in the case of the Class E Notes: 5.75 per cent. per annum (the "**Class E Margin**"); and

(6) in the case of the Class F Notes: 6.95 per cent. per annum (the "**Class F Margin**").

Notwithstanding paragraphs (A) or (B) above, if in relation to any Interest Determination Date, EURIBOR in respect of any Class of Floating Rate Notes as determined in accordance with paragraphs (A) or (B) above would yield a EURIBOR rate less than zero, such EURIBOR rate shall be deemed to be zero for the purposes of determining the floating rate of interest pursuant to this Condition 6(e)(i) (*Floating Rate of Interest*).

(ii) *Determination of Floating Rate of Interest and Calculation of Interest Amount*

The Calculation Agent will, as soon as practicable after 11.00am (Brussels time) on each Interest Determination Date (and in any event (i) for each Accrual Period following the occurrence of a Frequency Switch Event, not later than the Business Day following the relevant Interest Determination Date; and (ii) for each Accrual Period prior to the occurrence of a Frequency Switch Event and for any Accrual Period during which a Frequency Switch Event occurs, not later than the Determination Date immediately preceding the relevant Payment Date), determine the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest, and the Class F Floating Rate of Interest and calculate the interest amount payable in respect of original principal amounts of the Class A Notes, the Class B-1 Notes, the Class C Notes, the Class D Notes, the Class E Notes, and the Class F Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The amount of interest (an "**Interest Amount**") payable in respect of each Authorised Integral Amount applicable to any such Securities shall be calculated by applying the Class A Rate of Interest in the case of the Class A Notes, the Class B-1 Rate of Interest in the case of the Class B-1 Notes, the Class C Rate of Interest in the case of the Class C Notes, the Class D Rate of Interest in the case of the Class D Notes, the Class E Rate of Interest in the case of the Class E Notes and the Class F Rate of Interest in the case of the Class F Notes, respectively, to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, multiplying the product by the actual number of days in the Accrual Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

(iii) *Calculation of Class B-2 Fixed Amounts*

The Calculation Agent will calculate the amount of interest (an "**Interest Amount**") payable in respect of original principal amounts of the Class B-2 Notes equal to the Authorised Integral Amount for the relevant Accrual Period by applying the Class B-2 Fixed Rate of Interest to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, 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-2 Fixed Rate of Interest**" means 2.689 per cent. per annum.

(iv) *Reference Banks and Calculation Agent*

The Issuer will procure that, so long as any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, or Class F Note remains Outstanding:

(A) a Calculation Agent shall be appointed and maintained for the purposes of determining the interest rate and interest amount payable in respect of the Securities; and

(B) in the event that the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, Class D Floating Rate of Interest, the Class E Floating Rate of Interest, and the Class F Floating Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (B) of Condition 6(e)(i) (*Floating Rate of Interest*), that the number of Reference Banks required pursuant to such paragraph (B) 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 Rate of Interest for any Accrual Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(f) *Interest Proceeds and Principal Proceeds in respect of Participating Term Certificates*

Solely in respect of Participating Term Certificates, the Calculation Agent will as of each Determination Date calculate the Interest Proceeds and Principal Proceeds payable to the extent of available funds in respect of an original principal amount of Participating Term Certificates equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The Interest Proceeds and Principal Proceeds payable on each Payment Date in respect of an original principal amount of Participating Term Certificates equal to the Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds and Principal Proceeds to be applied on the Participating Term Certificates on the applicable Payment Date pursuant to paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (U) of the Principal Proceeds Priority of Payments and paragraph (AA) of the Post-Acceleration Priority of Payment by fractions equal to the amount of such Authorised Integral Amount, as applicable, divided by the aggregate original principal amount of the Participating Term Certificates.

(g) *Publication of Rates of Interest, Interest Amounts and Deferred Interest*

The Calculation Agent will, at the expense of the Issuer, cause the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest, and the Class F Floating Rate of Interest, the Class B-2 Fixed Rate of Interest or the Interest Amounts payable in respect of each Class of Rated Notes, the amount of any Deferred Interest due but not paid on any Class C Notes, Class D Notes, Class E Notes or Class F Notes for each Accrual Period and Payment Date, the Principal Amount Outstanding of each Class of Securities as of the applicable Payment Date and the occurrence of a Frequency Switch Event on any Frequency Switch Measurement Date to be notified to the Registrar, the Principal Paying Agent, the U.S. Paying Agent, the Transfer Agent, the Exchange Agent, the Trustee and the Collateral Manager, and for so long as the Securities are listed on the Global Exchange Market of the Irish Stock Exchange, the Irish Stock Exchange, as soon as possible after their determination but in no event later than the fourth Business Day thereafter; and the Principal Paying Agent shall cause each such rate, amount, date and the occurrence of a Frequency Switch Event to be notified to the Holders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Principal Paying Agent but in no event later than the third Business Day after such notification. The Interest Amounts in respect of the Class A Notes, the Class B Notes, the

Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes or the Payment Date in respect of any Class so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any of the Securities become due and payable under Condition 10 (*Note Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason so calculate the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest, or the Class F Floating Rate of Interest 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 Holders. 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 (in the absence of manifest error) be binding on the Issuer, the Reference Banks, the Calculation Agent, the Trustee, the Registrar, the Principal Paying Agent, the U.S. Paying Agent, the Transfer Agent and all Holders and no liability to the Issuer or the Holders of any Class shall attach to the Reference Banks, the Calculation Agent or the Trustee in connection with the exercise or non exercise by them of their powers, duties and discretions under this Condition 6 (*Interest*).

7 Redemption and Purchase

(a) *Final Redemption*

Save to the extent previously redeemed in full and cancelled, the Securities of each Class will be redeemed on the Maturity Date of such Securities. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be redeemed at their Redemption Price in accordance with the Note Payment Sequence and the Participating Term Certificates will be redeemed at the amount equal to their share of the amounts of Principal Proceeds and Interest Proceeds to be applied towards such redemption pursuant to the Priorities of Payment. Securities may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) *Optional Redemption*

(i) *Optional Redemption in Whole - Participating Term Certificateholders/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*) and Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices, 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 if either (x) the Issuer (as directed by the Holders of the Participating Term Certificates (acting by way of Extraordinary Resolution)) directs, by a written notice to the Collateral Manager, an optional redemption of the Rated Notes, in whole but not in part, with the Sale Proceeds or the Refinancing Proceeds (or a combination thereof), or (y) a written notice to the Issuer directing an optional redemption of the Rated Notes, in whole but not in part, with the Sale Proceeds or the Refinancing Proceeds (or a combination thereof), is sent by the Collateral Manager; or

(B) upon the occurrence of a Collateral Tax Event, on any Business Day falling after such occurrence at the direction of the Participating Term Certificateholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices).

(ii) *Optional Redemption in Part – 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 written direction of the Collateral Manager or the Participating Term Certificateholders (acting by Ordinary Resolution) as provided in Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*) below. 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 - 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 effected through Liquidation only*), the Rated Notes shall 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 Collateral Principal Amount is less than 15.0 per cent. of the Target Par Amount and such redemption is 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 20 days' prior written notice of such Optional Redemption, including the applicable Redemption Date, and the

relevant Redemption Price therefor, is given to the Trustee, each Hedge Counterparty and the Holders in accordance with Condition 16 (*Notices*);

(B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices (subject, in the case of an Optional Redemption of the 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 30 days (or such shorter period of time as may be agreed by the Trustee and the Collateral Manager, acting reasonably) prior to the relevant Redemption Date;

(C) the Collateral Manager shall have no right or other ability to prevent an Optional Redemption directed by the Participating Term Certificateholders 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 Rated Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – 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 Participating Term Certificateholders (acting by Ordinary Resolution or Extraordinary Resolution, as the case may be); and/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 - Participating Term Certificateholders/Collateral Manager*) or Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager*), the Issuer may:

(A) in the case of a redemption in whole of all Classes of Rated Notes (1), enter into a loan (as borrower thereunder) with one or more financial institutions (qualifying as a "**professional market party**" pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) the "**Dutch FSA**"); or (2) issue replacement notes (in accordance with the provisions of the Dutch FSA); and

(B) in the case of a redemption in part of the entire Class of a Class of Rated Notes, issue replacement notes (in accordance with the provisions of the Dutch FSA) (each, a "**Refinancing Obligation**"),

whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer (any such refinancing, a "**Refinancing**"). The terms of any

Refinancing and the identity of any financial institutions acting as lenders or purchasers thereunder are subject to the prior written consent of the Collateral Manager and the Participating Term Certificateholders (acting by Ordinary Resolution) 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 may be applied in addition to (or in place of) Sale Proceeds in the redemption of the Rated Notes in whole pursuant to Condition 7(b)(i) (*Optional Redemption in Whole - Participating Term Certificateholders/Collateral Manager*). In addition, Refinancing Proceeds may be applied in the redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager*).

(A) Refinancing in relation to a Redemption in Whole

In the case of a Refinancing in relation to the redemption of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole - Participating Term Certificateholders/Collateral Manager*) as described above, such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to Fitch and Moody's and each Hedge Counterparty;

(2) all Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments and all other available funds will be at least sufficient to pay any Refinancing Costs and all amounts due and payable in respect of all Classes of Securities save for the Participating Term Certificates (including without limitation Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payment (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; and

(5) all Refinancing Proceeds and all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as confirmed to the Issuer and the Trustee by the Collateral Manager.

(B) Refinancing in relation to a Redemption in Part

In the case of a Refinancing in relation to a redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager*), such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to Fitch and Moody's and each Hedge Counterparty;

(2) the Refinancing Obligations are in the form of notes;

(3) any redemption of a Class of Securities is a redemption of the entire Class which is subject to the redemption;

(4) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Proceeds Priority of Payments prior to paying any amount in respect of the Participating Term Certificates will be at least sufficient to pay in full:

(a) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption; plus

(b) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing;

(5) the Refinancing Proceeds are used (to the extent necessary) to make such redemption;

(6) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed;

(7) the aggregate principal amount of the Refinancing Obligations for each Class is equal to the aggregate Principal Amount Outstanding of such Class of Securities being redeemed with the Refinancing Proceeds;

(8) the maturity date of each class of Refinancing Obligation is no earlier than the Maturity Date of the Class or Classes of Securities being redeemed with the Refinancing Proceeds, unless (i) Rating Agency Confirmation has been obtained in respect of any such proposed maturity date; and (ii) the proposed maturity date is no earlier than the maturity date of each Class of Securities then Outstanding and ranking higher in the Priorities of Payment than the relevant class of Refinancing Obligations;

(9) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption;

(10) payments in respect of the Refinancing Obligations are subject to the Priorities of Payment and rank at the same priority pursuant to the Priorities of Payment as the relevant Class or Classes of Rated Notes being redeemed;

(11) the voting rights, consent rights, redemption rights and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class of Rated Notes being redeemed; and

(12) all Refinancing Proceeds are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as confirmed to the Issuer and the Trustee by the Collateral Manager.

If, in relation to a proposed optional redemption of the Securities, 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 Securities and shall give notice of such cancellation to the Trustee, the Collateral Manager and the Holders 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 Participating Term Certificateholders, for any failure to obtain a Refinancing.

(C) Consequential Amendments

Following a Refinancing, the Trustee shall agree to the modification of the Trust Deed to the extent necessary to reflect the terms of the Refinancing. No further consent for such amendments shall be required from the holders of Securities other than from the holders of the Participating Term Certificates acting by way of an Ordinary Resolution.

The Trustee will not be obliged to enter into any modification that, in its reasonable opinion, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Trustee in respect of the Transaction Documents, and the Trustee will be entitled to conclusively rely upon an officer's certificate or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) provided by the Issuer 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 Securities (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 effected through Liquidation only*

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Registrar of (i) a direction in writing from the Participating Term Certificateholders (acting by Ordinary Resolution or, as the case may

require, Extraordinary Resolution), (ii) a direction in writing from the Controlling Class (acting by Extraordinary Resolution), or (iii) a direction in writing from the Collateral Manager, as the case may be, to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) to be effected solely through the liquidation or realisation of the Collateral, the Collateral Administrator shall, as soon as practicable, and in any event not later than 17 Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**"), provided that the Collateral Administrator has received such notice or confirmation at least 20 Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount in consultation with the Collateral Manager. The Collateral Manager or any of its Affiliates will be permitted to purchase Collateral Obligations in the Portfolio where the Participating Term Certificateholders exercise their right of early redemption pursuant to this Condition 7(b) (*Optional Redemption*).

The Securities shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio unless:

(A) at least five Business Days before the scheduled Redemption Date the Collateral Manager shall have furnished to the Trustee (with a copy to the Rating Agencies) a certificate signed by an officer of the Collateral Manager that the Collateral Manager has on behalf of the Issuer entered into a binding agreement or agreements with a financial or other institution(s) or entity (which (a) either (x) has a long-term issuer credit rating of at least "A" by Fitch and a short-term issuer credit rating of at least "F1" by Fitch or, if it does not have a long term issuer credit rating by Fitch, a short term issuer credit rating of at least "F1" by Fitch, (y) in respect of which a Rating Agency Confirmation from Fitch has been obtained or (z) is a bankruptcy remote special purpose vehicle and (b) either (x) has a long-term senior unsecured credit rating of at least "A2" by Moody's and a short-term senior unsecured rating of "P-1" by Moody's or, if it does not have a Moody's long-term senior unsecured credit rating, a short-term senior unsecured rating of at least "P-1" by Moody's, (y) in respect of which a Rating Agency Confirmation from Moody's has been obtained (provided, for the purposes of this clause (y), that a Rating Agency Confirmation cannot be deemed to not be required in these circumstances and must be provided as a positive confirmation)) or (z) is a bankruptcy remote special purpose vehicle to purchase (directly or by participation or other arrangement) from the Issuer, not later than the Business Day immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Portfolio at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date, to meet the Redemption Threshold Amount;

(B) at least two Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date, to meet the Redemption Threshold Amount; and

(C) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager confirms to the Trustee that, in its judgment, the aggregate sum of (A) expected net proceeds from the sale of Eligible Investments, and (B) for each Collateral Obligation, the product of its Principal Balance and its Market Value, shall 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 or realisation.

Any confirmation delivered by the Collateral Manager pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*) must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Obligations and/or Eligible Investments and (2) all calculations required by this Condition 7(b) (*Optional Redemption*). Any Holder, the Collateral Manager or any of the Collateral Manager's Affiliates shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Obligations to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

If any of the conditions (A) to (C) above are not satisfied, the Issuer shall cancel the redemption of the Securities and shall give notice of such cancellation to the Trustee, the Collateral Manager and the Holders in accordance with Condition 16 (*Notices*).

The Trustee shall rely conclusively and without liability on any confirmation or certificate of the Collateral Manager furnished by it pursuant to or in connection with this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

(vii) *Mechanics of Redemption*

Following calculation by the Collateral Administrator of the relevant Redemption Threshold Amount, if applicable, the Collateral Administrator shall make such other calculations as it is required to make pursuant to the Collateral Management Agreement and shall notify the Issuer, the Trustee, the Collateral Manager and the Registrar, whereupon the Registrar shall notify the Holders (in accordance with Condition 16 (*Notices*)) of such amounts.

Any exercise of a right of Optional Redemption by the Participating Term Certificateholders pursuant to this Condition 7(b) (*Optional Redemption*) or the Controlling Class or the Participating Term Certificateholders pursuant to Condition 7(g) (*Redemption following Note Tax Event*) shall be effected by delivery to a Transfer Agent, by the requisite amount of Participating Term Certificateholders or the requisite amount of Securities comprising the Controlling Class (as applicable) held thereby of duly completed Redemption Notices not less than 30 days, or such shorter period of time as the Trustee and the Collateral Manager find reasonably acceptable, prior to the proposed Redemption Date. No Redemption Notice so delivered or any direction given by the Collateral Manager may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Collateral Manager received to each of the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager.

The Holder of the Participating Term Certificates and the Controlling Class' option in Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*) may be exercised by the Holder of the Participating Term Certificates or the Controlling Class (as applicable) giving notice to the Registrar of the principal amount of Participating Term Certificates or Securities representing the Controlling Class (as applicable) in respect of which the option is exercised and presenting such Global Certificate or Definitive Certificate (as applicable) for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*).

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 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 Securities in accordance with this Condition 7(b) (*Optional Redemption*) and/or Condition 7(g) (*Redemption following Note Tax Event*) in the Payment Account on or before the Business Day prior to the applicable Redemption Date. Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of the Rated Notes shall be payable in accordance with the Post-Acceleration Priority of Payments. In the case of any redemption in whole of a Class of Rated Notes (other than a redemption in whole of all Classes of Rated Notes), the relevant Refinancing Proceeds shall be paid to the Holders of such Class of Rated Notes.

(viii) *Optional Redemption of Participating Term Certificates*

The Participating Term Certificates 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 Participating Term Certificateholders (acting by Ordinary Resolution) or (y) the Collateral Manager.

(c) *Mandatory Redemption upon Breach of Coverage Tests*

(i) *Class A Notes and Class B Notes*

If the Class A/B Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class A/B Interest Coverage Test is not met 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 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 Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(ii) *Class C Notes*

If the Class C Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class C Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of 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 Payment (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 met on any Determination Date on or after the Effective Date or if the Class D Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of 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 Payment (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 met on any Determination Date on or after the Effective Date or if the Class E Interest Coverage Test is not met 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 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 Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(v) *Class F Notes*

If the Class F Par Value Test is not met on any Determination Date on and after the expiry of the Reinvestment Period, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in accordance with and subject to the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until such Coverage Test is satisfied if recalculated immediately following such redemption.

(d) *Special Redemption*

Principal payments on the Securities 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) notifies the Trustee that it has been unable, for a period of 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager (acting on behalf of the Issuer) in its sole discretion which meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria, in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account that are to be invested in additional Collateral Obligations (a "**Special Redemption**"). 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 Obligations or Substitute Collateral Obligations as determined by the Collateral Manager

in its sole discretion (the "**Special Redemption Amount**") will be applied in accordance with paragraph (P) of the Principal Proceeds Priority of Payments. Notice of payments pursuant to this Condition 7(d) (*Special Redemption*) shall be given by the Issuer in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to each Holder affected thereby, to each Hedge Counterparty 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 Holder or any other person for the exercise or non exercise (as applicable) of such Special Redemption.

(e) *Redemption upon Effective Date Rating Event*

In the event that as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds, in each case and, thereafter, out of Principal Proceeds subject to the Priorities of Payment until redeemed in full or, if earlier, until an Effective Date Rating Event is no longer continuing.

(f) *Redemption following Expiry of the Reinvestment Period*

Following expiry of the Reinvestment Period, the Issuer shall, on each Payment Date occurring thereafter, apply Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date in redemption of the Securities at their applicable Redemption Prices in accordance with the Priorities of Payment.

(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 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 and notifies (or procures the notification of) the Principal Paying Agent and the Holders 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 Holders 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 Participating Term Certificateholders, in each case acting by way of Extraordinary Resolution, may elect that the Securities of each Class are redeemed, in whole but not in part, on any Business Day thereafter, at their respective Redemption Prices in accordance with the Note Payment Sequence, in which case the Issuer shall so redeem the Securities 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 Participating Term Certificates (in addition to any other Class of Securities) on such Payment Date; provided further that such redemption of the Securities, whether pursuant to the exercise of such option by the Controlling Class or the Participating Term Certificateholders, shall take place in accordance with the procedures set out in Condition 7(b) (*Optional Redemption*).

(h) *Non-Consenting Amendment Redemption*

(i) In the case of any modification, authorisation or waiver of any Transaction Document that requires the consent of one or more holders of Securities of any Class, the Issuer shall, at the option of the Collateral Manager, redeem all Rated Notes (other than Retention Securities) held by any Holder who does not vote in favour of, or if present or represented at a meeting, abstains from voting in respect of, any Resolution (the "**Non-Consenting Holder**") whose consent was solicited with respect to such modification, authorisation or waiver, regardless of the applicable percentage of the aggregate Outstanding amount of such Rated Notes (the "**Non-Consenting Amendment Redeemed Notes**") for the applicable Non-Consenting Amendment Redemption Price from the proceeds of issuance of additional notes of the same class of, and governed by the same terms and in the same principal amount as, the Non-Consenting Amendment Redeemed Notes (the "**Non-Consenting Amendment Additional Notes**") to be subscribed by the Non-Consenting Amendment Redemption Purchaser (the "**Non-Consenting Amendment Redemption**"), provided, however, that the Collateral Manager may not request the Issuer to exercise the Non-Consenting Amendment Redemption during the Non-Call Period.

(ii) The Issuer shall promptly notify the Collateral Manager, at the same time as the Trustee, of any proposed modification, authorisation or waiver to the relevant provisions of the Transaction Document that requires the consent of one or more holders of the Securities of any Class. If it intends to request the Issuer to exercise a Non-Consenting Amendment Redemption, the Collateral Manager shall send a notice to the Issuer, the Trustee and the Initial Purchaser (the "**Non-Consenting Amendment Notice**") no later than five Business Days after the Collateral Manager and the Trustee are so notified by the Issuer and the Issuer will promptly give such notice to all Holders and the Lender in accordance with Condition 16 (*Notices*). The Non-Consenting Amendment Notice will designate a date (the "**Non-Consenting Amendment Redemption Date**") for the Non-Consenting Amendment Redemption and for the subscription by the Non-Consenting Amendment Redemption Purchaser of the Non-Consenting Amendment Additional Notes to occur, no earlier than 60 days after the date of such Non-Consenting Amendment Notice. Any Non-Consenting Holder may consent to the related proposed modification, authorisation or waiver until the 15th Business Day prior to the Non-Consenting Amendment Redemption Date so designated, and in such case will cease to be a Non-Consenting Holder for the purposes of the Non-Consenting Amendment Redemption.

Subject to Condition 17(c) (*Additional Issuances*), the Non-Consenting Amendment Redeemed Notes may be redeemed pursuant to this Condition 7(h) (*Non-Consenting Amendment Redemption*) and Non-Consenting Amendment Additional Notes may be issued, if the net proceeds of issue of such Non-Consenting Amendment Additional Notes is sufficient to redeem all of the Non-Consenting Amendment Redeemed Notes, to which end the Issuer shall structure the Non-Consenting Amendment Additional Notes to be issued and shall procure that such amounts are on deposit at or to the order of the Issuer, in each case, at least one Business Day prior to the Non-Consenting Amendment Redemption Date.

(iii) On the Non-Consenting Amendment Redemption Date, the Issuer will simultaneously (i) redeem the Non-Consenting Amendment Redeemed Notes at the applicable Non-Consenting Amendment Redemption Price and (ii) issue the Non-Consenting Amendment Additional Notes and the Collateral Manager shall, or in case the Non-Consenting Amendment Redemption Purchaser is not the

Collateral Manager, the Collateral Manager shall procure that, the Non-Consenting Amendment Redemption Purchaser will, subscribe for the Non-Consenting Amendment Additional Notes at the applicable Non-Consenting Amendment Redemption Price. Neither the Non-Consenting Amendment Redemption Purchaser nor any other person shall have any liability to any holder or beneficial owner of Securities as a result of an election by the Collateral Manager not to request the Issuer to exercise the Non-Consenting Amendment Redemption. If (i) the Non-Consenting Amendment Redemption is duly completed and (ii) the Non-Consenting Amendment Redemption Purchaser subscribes for the Non-Consenting Amendment Additional Notes, the Non-Consenting Amendment Redemption Purchaser, as holder or beneficial owner of the applicable Securities, may consent to the related proposed modification, authorisation or waiver within five Business Days after the Non-Consenting Amendment Redemption.

(iv) For the avoidance of doubt:

(A) no Retention Securities or Participating Term Certificates may be redeemed pursuant to this Condition 7(h) (*Non-Consenting Amendment Redemption*); and

(B) Non-Consenting Amendment Additional Notes may only be issued subject to and in accordance with Condition 17(c) (*Additional Issuances*).

(i) *Redemption*

Unless otherwise specified in this Condition 7 (*Redemption and Purchase*), all Securities 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*).

(j) *Cancellation and Purchase*

All Securities redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein for cancellation pursuant to paragraph (m) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Securities mutilated, defaced or deemed lost or stolen.

Cancellation of any Security required by the Conditions to be cancelled will be effected by reduction in the principal amount of the Securities on the Register, with a corresponding notation made on the applicable Global Certificate.

(k) *Notice of Redemption*

The Issuer shall procure that notice of any redemption in accordance with this Condition 7 (*Redemption and Purchase*) (which notice shall be irrevocable) is given to the Trustee and Holders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies and each Hedge Counterparty.

(l) *Reinvesting Holders*

At any time during the Reinvestment Period, any holder of Participating Term Certificates may notify the Issuer, the Trustee and the Collateral Manager that it proposes to make a cash contribution to the Issuer (each proposed contribution described above, a "**Reinvestment Amount**"). The Collateral Manager, in consultation with the applicable holder of Participating Term Certificates (but in the Collateral Manager's sole discretion), will determine (A) whether to accept any proposed Reinvestment Amount and (B) the Permitted Use to which such proposed Reinvestment Amount would be applied. The Collateral Manager will provide written notice of such determination to the applicable Reinvesting Holder(s) thereof and such Reinvestment Amount will be accepted by the Issuer. Each Reinvestment Amount will be deposited into the Supplemental Reserve Account. Any such proposed Reinvestment Amount is subject to the condition that:

(i) no more than a total of three Reinvestment Amounts may be effected in aggregate in respect of all Participating Term Certificates; and

(ii) each Reinvestment Amount is in an amount no less than Euro 250,000.

(m) *Purchase*

On any Payment Date 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 Principal Proceeds standing to the credit of the Principal Account or the Supplemental Reserve Account.

No purchase of Rated Notes by the Issuer may occur unless each of the following conditions is satisfied:

(A) such purchase of Rated Notes shall occur in the following sequential order of priority: first, the Class A Notes, until the Class A Notes are redeemed in full and cancelled; second, the Class B Notes, until the Class B Notes are redeemed in full and cancelled; third, the Class C Notes, until the Class C Notes are redeemed in full and cancelled; fourth, the Class D Notes, until the Class D Notes are redeemed in full and cancelled; fifth, the Class E Notes, until the Class E Notes are redeemed in full and cancelled; and sixth, the Class F Notes, until the Class F Notes are redeemed in full and cancelled;

(B) 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 (and in the case of either the Class B-1 Notes or the Class B-2 Notes, to all holders of the other Class of Rated Notes which are Class B Notes), 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 Supplemental Reserve Amounts that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;

(C) each such holder of a Rated Note shall have the right, but not the obligation, to accept such offer in accordance with its terms;

(D) if the aggregate Principal Amount Outstanding of Securities 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 Securities 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 in the case of the Class B Notes, on a pari passu basis between the relevant holders of the Class B-1 Notes and the Class B-2 Notes;

(E) in the case of the purchase of the Class B Notes, such Class B Notes shall be purchased on a pro rata basis between the Class B-1 Notes and the Class B-2 Notes, in each case unless otherwise confirmed by Rating Agency Confirmation;

(F) each such purchase shall be effected only at prices discounted from par;

(G) each such purchase of Rated Notes shall occur prior to the expiry of the Reinvestment Period;

(H) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase or, if any Coverage Test is not satisfied it shall be at least maintained or improved after giving effect to such purchase compared with what it was immediately prior thereto;

(I) 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 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 or the Collateral Quality Tests was not satisfied immediately prior to such purchase, such requirement or test will be maintained or improved after giving effect to such purchase;

(J) no Note Event of Default shall have occurred and be continuing;

(K) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold; and

(L) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of The Netherlands).

Upon instruction by the Issuer, the Registrar shall cancel any such purchased Rated Notes surrendered to it for cancellation. The cancellation (and/or decrease, as applicable) of any such surrendered Rated Notes shall be taken into account for purposes of all relevant calculations.

8 Payments

(a) *Method of Payment*

Payments of principal upon final redemption in respect of each Security will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Security at the specified office of the Principal Paying Agent or any Paying Agent by wire transfer. Payments of interest on each Security and, prior to redemption in full thereof, principal in respect of each Security, will be made by wire transfer on the Business Day immediately preceding the relevant due date to the holder (or to the first named of joint holders) of the Security 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 Security, 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 Security 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 Securities represented by a Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the relevant Securities, 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 Holders for such purpose. On each occasion on which a payment of interest (unless the Securities represented thereby do not bear interest) or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Securities 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 Holders.

(c) *Payments on Presentation Days*

A holder shall be entitled to present a Security 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 Security 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 Principal 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 Principal Paying Agent and any Transfer Agent and appoint additional or other Agents, provided that it will maintain (i) a Principal Paying Agent and (ii) if required in order to avoid any withholding or deduction on account of tax pursuant to European Council Directive 2003/48/EC (or any other Directive implementing or complying with, or introduced in order to conform to, such Directive), a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, in each case, as approved in writing by the Trustee and shall procure that it shall at all times maintain a Custodian, Account Bank, Collateral Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Collateral Manager or Collateral Administrator will promptly be given to the Holders by the Issuer in accordance with Condition 16 (Notices).

9 Taxation

(a) All payments of principal and interest in respect of the Securities 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 The Netherlands or any other country, or any political sub-division or any authority therein or thereof, 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 Holders of any Class and shall withhold or deduct from any such payments any amounts on account of such tax where so required by law (including FATCA) or any such relevant taxing authority. Any withholding or deduction shall not constitute a Note Event of Default under Condition 10(a) (*Note Events of Default*).

(b) Subject as provided below, if the Issuer satisfies the Trustee that it has or will on the occasion of the next payment due in respect of the Securities of any Class become obliged by the laws of The Netherlands to withhold or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (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, including by arranging for the substitution of a company incorporated in another jurisdiction approved by the Trustee as the principal obligor under the Securities of such Class, or changing its tax residence to another jurisdiction approved by the Trustee, subject to receipt of Rating Agency Confirmation in relation to such change.

Notwithstanding the above, if any taxes referred to in this Condition 9 (*Taxation*) arise:

(i) due to any present or former connection of any Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Holder if such Holder is an estate, a trust, a partnership, or a corporation) with The Netherlands (including without limitation, such Holder (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 Security or receiving principal or interest in respect thereof;

(ii) by reason of the failure by the relevant Holder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with The Netherlands or other applicable taxing authority;

(iii) in respect of a payment made or secured for the immediate benefit of an individual or a non corporate entity which is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or any arrangement entered into between the Member States and certain third countries and territories in connection with the Directive;

(iv) as a result of presentation for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Security to another Transfer Agent in a Member State of the European Union;

(v) in connection with FATCA; or

(vi) any combination of the preceding clauses (i) through (v) inclusive,

the requirements of this Condition 9(b) shall not apply.

Any withholding or deduction required from amounts payable by the Issuer pursuant to this Condition 9 (*Taxation*) shall be deemed to be included in the same paragraph in the Priorities of Payment as the paragraph which contains the payment in respect of which such withholding or deduction is required to be made.

10 Note 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 in respect of the Class A Notes or Class B Notes, when the same becomes due and payable or, following redemption and payment in full of the Class A Notes and the Class B Notes, and provided that a Frequency Switch Event has occurred, the Issuer fails to pay any interest in respect of the Class C Notes when the same becomes due and payable or, following redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes (and provided that a Frequency Switch Event has occurred), the Issuer fails to pay any interest in respect of the Class D Notes when the same becomes due and payable or, following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (and provided that a Frequency Switch Event has occurred), the Issuer fails to pay any interest in respect of the Class E Notes when the same becomes due and payable, or, following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, and the Class E Notes (and provided that a Frequency Switch Event has occurred), the Issuer fails to pay any interest in respect of the Class F Notes when the same becomes due and payable and, in each case, the 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 by the Collateral Manager, the Trustee, the Collateral Administrator, the Account Bank or any Paying Agent, such failure continues for a period of at least ten Business Days after the Trustee receives written notice of, or has actual knowledge of, such administrative error or omission; provided further, that the failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with these Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute 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 Securities on the Maturity Date or any Redemption Date provided that, in the case of a failure to disburse due to an administrative error or omission by the Collateral Manager, the Trustee, the Collateral Administrator, the Account Bank or any Paying Agent, such failure continues for a period of at least ten Business Days after the Trustee 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;

(iii) *Default under Priorities of Payment*

the failure on any Payment Date to disburse amounts (other than (i) or (ii) above) available in the Payment Account in excess of €1,000 and payable in accordance with the Priorities of Payment and continuation of such failure for a period of five Business Days or, in the case of a failure to disburse due to an administrative error or omission by the Trustee, the Collateral Administrator, the Account Bank or any Paying Agent, such failure continues for ten Business Days after the Trustee receives written notice of, or has actual knowledge of, such administrative error or omission;

(iv) *Collateral Obligations*

on any Measurement Date after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to (1) the Collateral Principal Amount plus (2) the aggregate of the product of the Market Value of each Defaulted Obligation on such date and its outstanding principal 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 this 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 meet any Portfolio Profile Test, Collateral Quality Test or Coverage Test or the Reinvestment Overcollateralisation 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) above) or the failure of any material representation or warranty of the Issuer made in the Trust Deed or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, 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, representation or warranty shall be determined by the Trustee;

(vi) *Insolvency Proceedings*

proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, administrative receiver, trustee,

administrator, custodian, conservator, liquidator, curator, *bewindvoerder* or *vereffenaar* or other similar official is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer and in any of the foregoing cases, except in relation to the appointment of a Receiver, is not discharged within 30 days; or the Issuer is subject to, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, curator, *bewindvoerder* or *vereffenaar* or other similar official, 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 material obligations under the Securities; or

(viii) *Investment Company Act*

the Issuer or the pool of 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 Extraordinary Resolution, (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) give notice to the Issuer and the Collateral Manager that all the Securities are immediately due and repayable (such notice, an "**Acceleration Notice**"), provided that following a Note Event of Default described in paragraph (vi) of the definition thereof shall occur, an Acceleration Notice shall be deemed to have been given and all the Securities shall automatically become immediately due and payable.

(ii) Upon any such notice being given to the Issuer in accordance with Condition 10(b)(i) (*Acceleration*), all of the Securities shall immediately become due and repayable at their applicable Redemption Prices.

(c) *Curing of Default*

At any time after a notice of acceleration of maturity of the Securities 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) of the definition thereof) and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee, subject to receipt of consent from the Controlling Class, may and shall, if so requested by the Controlling Class, in each case, acting by Extraordinary Resolution, (and subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) rescind and annul such notice of acceleration 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, other than payments of principal that become due solely as a result from acceleration under paragraph (b) above, on the Securities, other than the Participating Term Certificates;

(B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee;

(C) all unpaid Administrative Expenses and Trustee Fees and Expenses up to the Senior Expenses Cap; and

(D) all amounts due and payable by the Issuer under any Currency Hedge Agreement or Interest Rate Hedge Agreement; and

(ii) the Trustee has determined that all Note Events of Default, other than the non-payment of the interest in respect of, or principal of, the Securities 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.

Any previous rescission and annulment of a notice of acceleration pursuant to this paragraph (c) shall not prevent the subsequent acceleration of the Securities if the Trustee, at its discretion or, as subsequently requested, accelerates the Securities or if the Securities are automatically accelerated in accordance with paragraph (b)(i) above.

All amounts received in respect of this Condition 10(c) (*Curing of Default*) shall be distributed five Business Days following receipt by the Trustee from the Issuer of such amounts, in accordance with the Post-Acceleration Priority of Payments.

(d) *Restriction on Acceleration*

No acceleration of the Securities shall be permitted by any Class of Holders, 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 Holders 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 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 could 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 and intentionally violates or breaches any material provision of the Collateral Management Agreement or the Trust Deed in bad faith (not including a wilful and intentional breach that results from a good faith dispute regarding reasonable alternative courses of action or interpretation of instructions);

(ii) the Collateral Manager wilfully and intentionally violates or breaches any of the undertakings set out in paragraphs 1(h) or 2 of the Risk Retention Letter;

(iii) the failure of any representation or warranty made by the Collateral Manager pursuant to paragraph 1(h) of the Risk Retention Letter to be correct in any material respect when made or deemed to be repeated;

(iv) the Collateral Manager breaches any provision of the Collateral Management Agreement or any terms of the Trust Deed (other than as covered by paragraph (i) above and it being understood that failure to meet any Portfolio Profile Test, Collateral Quality Test, Reinvestment Overcollateralisation Test or Coverage Test will not constitute a breach for purposes of this paragraph (iv)), which breach would reasonably be expected to have a material adverse effect on the Issuer and does not cure such breach (if capable of being cured) within 30 days of a Responsible Officer of the Collateral Manager receiving notice of such breach, unless, if such breach is remediable, the Collateral Manager has taken action that the Collateral Manager believes in good faith will remedy such breach, and such action does remedy such breach, within 60 days of a Responsible Officer receiving notice thereof;

(v) the failure of any representation, warranty, certification or statement made or delivered by the Collateral Manager in or pursuant to the Collateral Management Agreement or the Trust Deed to be correct in any material respect when made which failure (i) would reasonably be expected to have a material adverse effect on the Issuer, and (ii) is not corrected by the Collateral Manager within 30 days of a Responsible Officer of the Collateral Manager receiving notice of such failure;

(vi) the Collateral Manager is wound up or dissolved or there is appointed over it or a substantial part 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 as they become due and payable, or makes a general assignment for the benefit of, 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, administrator, 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 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 days or result in adjudication of bankruptcy or insolvency or the issuance of an order for relief; or (iv) permits or suffers all or any substantial part of its properties or assets to be sequestered or attached by court order and the order (if contested in good faith) remains undismissed for 60 days;

(vii) the occurrence and continuation of a Note Event of Default specified under clause (i), (ii) or (iv) of the definition of such term that results primarily from any material breach by the Collateral Manager of its duties under the Collateral

Management Agreement or under the Trust Deed which breach is not cured within any applicable cure period;

(viii) the occurrence of an act by the Collateral Manager that constitutes fraud or criminal activity in the performance of its obligations under the Collateral Management Agreement or its other collateral management activities (as determined pursuant to a final adjudication by a court of competent jurisdiction) or the Collateral Manager being charged with a criminal offence materially related to its business of providing asset management services;

(ix) any Responsible Officer of the Collateral Manager primarily responsible for the performance by the Collateral Manager of its obligations under the Collateral Management Agreement (in the performance of his or her investment management duties) is charged with a criminal offence materially related to the business of the Collateral Manager providing asset management services and continues to have responsibility for the performance by the Collateral Manager under the Collateral Management Agreement for a period of 30 days after such being so charged;

(x) the Collateral Manager resigning pursuant to the terms of the Collateral Management Agreement; or

(xi) the occurrence of a Collateral Manager Tax Event.

Pursuant to the terms of the Collateral Management Agreement, solely in connection with a CM Removal Resolution or a CM Replacement Resolution, no Securities held in the form of (i) CM Non-Voting Exchangeable Notes, (ii) CM Non-Voting Notes or (iii) Collateral Manager Securities (only in the case of a CM Removal Resolution or a CM Replacement Resolution (following the removal of the Collateral Manager after the occurrence of a Collateral Manager Event of Default)) shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of such CM Removal Resolution or such CM Replacement Resolution or (C) be counted for the purposes of determining a quorum or the result in respect of such CM Removal Resolution or such CM Replacement Resolution as more fully described above and in 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 (and if applicable, the security constituted by the Euroclear Security Agreement over the Collateral) shall become enforceable upon an acceleration of the maturity of the Securities pursuant to Condition 10(b) (*Acceleration*).

(b) *Enforcement*

At any time after the Securities become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion (but subject always to Condition 4(c) (*Limited Recourse and Non-Petition*)), and shall, if so directed by the Controlling Class acting by way of Extraordinary Resolution (subject as provided in Condition 11(b)(ii) (*Enforcement*)), institute such proceedings against the Issuer as it may

think fit to enforce the terms of the Trust Deed, the Euroclear Security Agreement and the Securities and pursuant and subject to the terms of the Trust Deed, the Euroclear Security Agreement and the Securities, 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 Holders of any Class or any other Secured Party provided however that:

(i) 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 (1) discharge in full all amounts due and payable in respect of all Classes of Securities (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) other than the Participating Term Certificates and all amounts payable in priority to the Participating Term Certificates pursuant to the Post-Acceleration Priority of Payments and (2) pay an additional amount equal to 5.0 per cent. of the aggregate of the amounts set forth in (1) above (such amount the "**Enforcement Threshold**" and such determination being an "**Enforcement Threshold Determination**") and the Requisite Majority of the Controlling Class agrees with such determination by a Written Resolution subject to such consultation by the Trustee with the Collateral Manager as the Trustee considers reasonably practicable, provided that the Trustee shall always consult the Collateral Manager (in which case the Enforcement Threshold will be met); or

(B) if the Enforcement Threshold will not have been met then:

(1) in the case of a Note Event of Default specified in sub-paragraph (i), (ii) or (iv) of Condition 10(a) (Note Events of Default), the Requisite Majority of the Controlling Class directs the Trustee, by Written Resolution, to take Enforcement Action without regard to any other Note Event of Default which has occurred prior to, contemporaneously or subsequent to such Note Event of Default; or

(2) in the case of any other Note Event of Default, the Requisite Majority of the Holders of each Class of Rated Notes acting by Written Resolution separately by Class directs the Trustee to take Enforcement Action;

(ii) (ii) the Trustee shall not be bound to institute any Enforcement Action or take any other action unless it is directed to do so by the Controlling Class acting by Extraordinary Resolution and, in the case of Condition 11(b)(i)(B)(1) (*Enforcement*), the Requisite Majority of the Controlling Class acting by Written Resolution or, in the case of Condition 11(b)(i)(B)(2) (*Enforcement*), the Requisite Majority of each Class of Rated Notes, acting by Written Resolution, in each case so direct the Trustee and, in each case, the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which may be incurred by it in connection therewith. Following redemption and payment in full of the Class A Notes, the

Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which may be incurred by it in connection therewith) act upon the directions of the Participating Term Certificateholders acting by Extraordinary Resolution; and

(iii) the Trustee shall use reasonable efforts to determine the aggregate proceeds that can be realised pursuant to any Enforcement Action. For the purposes of determining the aggregate proceeds that can be realised pursuant to any Enforcement Action the Trustee shall use reasonable efforts to obtain, with the cooperation of the Collateral Manager, bid prices with respect to each asset comprising the Portfolio from two recognised dealers (as specified by the Collateral Manager in writing) 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 Trustee, with the cooperation of the Collateral Manager, is only able to obtain bid prices with respect to an asset from one recognised dealer at the time making a market therein, the Trustee shall compute the anticipated proceeds of sale or liquidation on the basis of such one bid price. In addition, for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio and whether the Enforcement Threshold will be met, the Trustee may appoint an independent investment banking firm or other appropriate adviser to advise it and may obtain and rely on an opinion and/or advice of such independent investment banking firm or other appropriate advisor (the cost of which shall be payable as Trustee Fees and Expenses).

The Trustee shall notify the Holders, the Issuer, the Agents, each Hedge Counterparty, the Collateral Manager and the Rating Agencies in the event that it makes an Enforcement Threshold Determination at any time or takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following the effectiveness of an Acceleration Notice which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or, as the case may be following automatic acceleration of the Securities 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 Counterparty Downgrade Collateral which is or may be required to be paid or returned to a Hedge Counterparty outside the Priorities of Payment in accordance with the Hedge Agreement and these Conditions and other than amounts standing to the credit of the Currency Account which represents Sale Proceeds in respect of Non-Euro Obligations sold subject to and in accordance with the terms of a Currency Hedge Transaction and any cash received in respect of Swap Tax Credits which in each case shall be paid to the relevant Hedge Counterparty in accordance with the terms thereof outside the Priorities of Payment) 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 in respect of the related Due Period (other than Dutch corporate income tax in relation to the amounts equal to the minimum profit referred to below), as certified by an Authorised Officer of the Issuer to the Trustee, if any, (save for any value added tax payable in respect of any Investment Management Fee or any other tax payable in relation to any other amounts payable to any person in accordance with the following paragraphs which arise as a result of the

payment of that amount to the relevant person); and to the payment of amounts equal to the minimum profit to be retained by the Issuer, for deposit into the Issuer Dutch Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap in respect of the related Due Period, provided that upon an acceleration of the Securities in accordance with Condition 10(b) (*Acceleration*) the Senior Expenses Cap shall not apply unless and until such acceleration has been rescinded and annulled;

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof (including from any Balance then outstanding on the Expense Reserve Account) up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above, provided that upon an acceleration of the Securities in accordance with Condition 10(b) (*Acceleration*) the Senior Expenses Cap shall not apply unless and until such acceleration has been rescinded and annulled;

(D) to the payment:

(1) *firstly*, on a *pro rata* basis to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date save for any Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts which shall not be paid pursuant to this paragraph; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts);

(E) to the payment on a *pro rata* basis, of any Scheduled Periodic Hedge Issuer Payments and Hedge Issuer Termination Payments (other than Defaulted Hedge Termination Payments) and to the extent not previously paid out of the Currency Account, Hedge Account or Interest Account;

(F) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class A Notes;

(G) to the redemption on a *pro rata* basis of the Class A Notes, until the Class A Notes have been redeemed in full;

(H) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class B Notes;

(I) to the redemption on a *pro rata* 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 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 F Notes;

(T) to the payment on a *pro rata* basis of any Deferred Interest on the Class F Notes;

(U) to the redemption on a *pro rata* basis of the Class F Notes, until the Class F Notes have been redeemed in full;

(V) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date;

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee; and

(3) *thirdly*, to the Collateral Manager in payment of any Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts;

(W) to the payment of Trustee Fees and Expenses not paid by reason of the Senior Expenses Cap (if any), in relation to each item thereof, on a pro rata basis;

(X) 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 set out in the definitions thereof;

(Y) to the payment on a *pro rata* and *pari passu* basis of any Defaulted Hedge Termination Payments due to any Hedge Counterparty (to the extent not previously paid out of the Hedge Account);

(Z) to any Reinvesting Holder (whether or not any applicable Reinvesting Holder continues on the date of such payment to hold all or any portion of such Participating Term Certificates) of any Reinvestment Amounts contributed and not previously paid pursuant to this paragraph (Z) or paragraph (T) of the Principal Proceeds Priority of Payments; and

(AA) **(1)** if the Incentive Management Fee IRR Threshold has not been reached, any remaining Interest Proceeds and Principal Proceeds to the payment on the Participating Term Certificates on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Participating Term Certificates held by Participating Term Certificateholders bore to the Principal Amount Outstanding of the Participating Term Certificates immediately prior to such redemption), until the Incentive Management Fee IRR Threshold is reached; and

(2) if, after taking into account all prior distributions to Participating Term Certificateholders and any distributions to be made to Participating Term Certificateholders on such Payment Date including pursuant to paragraph (1) above, paragraph (CC) of the Interest Proceeds Priority of Payments and paragraph (U) of the Principal Proceeds Priority of Payments, the Incentive Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) 20.0 per cent. of any remaining Interest Proceeds and Principal Proceeds, to the payment to the Collateral Manager as an Incentive Management Fee

(b) any value added tax on the fee referred to in paragraph (a) above, (whether payable to the Collateral Manager or directly to the relevant tax authority); and

(c) any Interest Proceeds and Principal Proceeds remaining thereafter, to the payment on the Participating Term Certificates on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Participating Term Certificates held by Participating Term Certificateholders bore to the Principal Amount Outstanding of the Participating Term Certificates and immediately prior to such redemption),

provided however that:

(i) notwithstanding the above, upon enforcement of the security pursuant to Condition 11 (*Enforcement*), no payment shall be made to any persons who are not Secured Parties;

(ii) if the Issuer must account for any VAT (whether to the recipient of any such payment or to the relevant tax authority) or amounts withheld or deducted in respect of taxes or for any other taxes attributable to any of the items referred to in paragraphs (B) to (AA)(1) (inclusive) of the Post-Acceleration Priority of Payments set out above (other than paragraph (A) of thereof), then such amounts in respect of taxes shall be paid *pro rata* and *pari passu* with such items; and

(iii) prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), where the payment of any amount in accordance with the Post-Acceleration Priorities of Payment set out above is subject to any deduction or withholding for or on account of any tax or any other tax is payable by or on behalf of the Issuer in respect of any such amount, payment of the amounts so deducted or withheld or of the tax so due shall be made to the relevant taxing authority pari passu with and, so far as possible, at the same time as the payment of the amount in respect of which the relevant deduction or withholding or other liability to tax has arisen.

(c) *Only Trustee to Act*

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Holders or, in respect of the Collateral, of any of the other Secured Parties under the Trust Deed or the Euroclear Security Agreement, as applicable, and the Securities and no Holder or other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period after having received notice of such failure and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of Payment, no Holder or Secured Party may take any further steps against the Issuer to recover any sum still unpaid in respect of the Securities 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 Securities 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 Holder or any 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 Holders *or Collateral Manager*

Upon any sale of any part of the Collateral following the acceleration of the Securities under Condition 10(b) (*Acceleration*), whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Holder (or, for the avoidance of doubt, the Collateral Manager or any Affiliate) 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 (including for the avoidance of doubt, the Collateral Manager or any Affiliate) in any such sale which is a Holder may deliver Securities held by it in place of payment of the purchase price for such Collateral where the amount payable to such Holder in respect of such Securities pursuant to the Priorities of Payment, had the purchase price been paid in cash, is equal to or exceeds such purchase price.

12 Prescription

Claims in respect of principal and interest payable on redemption in full of the relevant Securities 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 is respect of such Securities is received by the applicable Paying Agent.

Notwithstanding the above, claims against the Issuer in respect of principal and interest on the Securities while the Securities 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 Securities

If any Security 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 Irish Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Securities must be surrendered before replacements will be issued.

14 Meetings of Holders, Modification, Waiver and Substitution

(a) *Provisions in Trust Deed*

The Trust Deed contains provisions for convening meetings of the Holders of each Class (and for passing Written Resolutions) to consider matters affecting the interests of the Holders 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 Holders, Modification, Waiver and Substitution*) are descriptive of the detailed provisions of the Trust Deed.

(b) *Decisions and Meetings of Holders*

(i) *General*

Decisions may be taken by Holders by way of Ordinary Resolution, Extraordinary Resolution or Written Resolution, in each case, of each Class (subject as provided in the next paragraph) or, to the extent specified in any applicable Transaction Document or these Conditions, by a Class of Holders acting independently. Ordinary and Extraordinary Resolutions can be effected either at a duly convened meeting of the applicable Holders or by the applicable Holders resolving in writing, in each case, in at least the minimum percentages specified in the table "Minimum Percentage Voting Requirements" in paragraph (iii) below. Meetings of the Holders may be convened by the Issuer, the Trustee or by one or more Holders holding not less than 10.0 per cent. in principal amount of the Securities Outstanding of a particular Class, subject to certain conditions including minimum notice periods. Where decisions are required to be taken by a Written Resolution of the Requisite Majority of a Class or Classes under the Trust Deed or these Conditions, such decision may only be made in accordance with Condition 14(b)(iv) (*Written Resolutions*) below.

The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects the holders of only one or more (but not all) Classes of Securities, in which event a meeting only of each affected Class will be required and 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 Securities and not the holders of any other Securities 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 Holders and, at any such meeting, as having one vote in respect of each €1,000 of principal amount of Securities for which the relevant Global Certificate may be exchanged.

Notice of any Resolution passed by the Holders will be given to Fitch and Moody's 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 Holders or of any Class or Classes of Holders, 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 Holders	One or more persons holding or representing not less than 66⅔ per cent. of the aggregate Principal Amount Outstanding of the Securities	One or more persons holding or representing not less than 25.0 per cent. of the aggregate Principal Amount Outstanding of Securities
Ordinary Resolution of Holders	One or more persons holding or representing not less than 50.0 per cent. of the aggregate Principal Amount Outstanding of the Securities	One or more persons holding or representing not less than 25.0 per cent. of the aggregate Principal Amount Outstanding of Securities

In connection with:

(a) a CM Removal Resolution or a CM Replacement Resolution, no Securities held in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of any 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 any such CM Removal Resolution or CM Replacement Resolution; and

(b) a CM Removal Resolution, no Securities held in the form of Collateral Manager Securities shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of any such CM Removal Resolution; or (C) be counted for the purposes of determining a quorum or the result of voting in respect of any such CM Removal Resolution.

The Trust Deed does not contain any provision for higher quorums in any circumstances.

(iii) *Minimum Voting Rights*

Set out in the table "Minimum Percentage Voting Requirements" below are the minimum percentages required to pass the Resolutions specified in such table which, (A) in the event that such Resolution is being considered at a duly convened meeting of Holders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Securities 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 Securities which are represented at such meeting and are entitled to be voted or, (B) in the case of any Written Resolution, shall be determined by reference to the

percentage which the aggregate Principal Amount Outstanding of Securities entitled to be voted in respect of such Written Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Securities entitled to vote in respect of such Written Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Per cent.
Extraordinary Resolution of Holders	At least 66⅔ per cent.
Ordinary Resolution of Holders	More than 50.0 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 Holders 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.

Any decision or resolution which is required to be taken by a Written Resolution of the Requisite Majority of a Class or Classes under the Trust Deed or these Conditions (including the removal of the Collateral Manager) may only be taken by a Written Resolution of the Requisite Majority of such Class or Classes of Securities.

(v) *Electronic Resolutions*

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 Holders for such Extraordinary Resolution or Ordinary Resolution (as applicable).

(vi) *All Resolutions Binding*

Subject to Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*) and in accordance with the Trust Deed, any Resolution of the Holders (including any resolution of a specified Class or Classes of Holders, where the resolution of one or more other Classes is not required) duly passed shall be binding on all Holders (regardless of Class and regardless of whether or not a Holder was present at the meeting at which such Resolution was passed).

(vii) *Extraordinary Resolution*

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (in each case, subject to anything else contemplated in the Trust Deed, the Collateral Management Agreement or the relevant Transaction Document, as applicable):

(A) the exchange or substitution for the Securities of a Class, or the conversion of the Securities of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity;

(B) the modification of any provision relating to the timing and/or circumstances of the payment of interest or redemption of the Securities of a Class at maturity or otherwise (including the circumstances in which the maturity of such Securities may be accelerated);

(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 Security;

(D) the adjustment of the outstanding principal amount of the Securities Outstanding of the relevant Class other than in connection with a further issue of Securities pursuant to Condition 17 (*Additional Issuances*);

(E) a change in the currency of payment of the Securities of a Class;

(F) any change in the Priorities of Payment or of any payment items in the Priorities of Payment;

(G) the modification of the provisions concerning the quorum required at any meeting of Holders or the minimum percentage required to pass a Resolution or any other provision of these Conditions which requires the written consent of the holders of a requisite Principal Amount Outstanding of the Securities 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 Holders*).

(viii) *Ordinary Resolution*

Any meeting of the Holders shall, subject to these Conditions and the Trust Deed, have power by Ordinary Resolution to approve any other matter relating to the Securities not referred to in paragraph 14(b)(vii) (*Extraordinary Resolution*) above.

(ix) *Matters affecting a certain Class of Securities*

Without prejudice to the second paragraph of Condition 14(b)(i) (*General*) above, 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 Holders of that relevant Class or by Written Resolution of the holders of that relevant Class.

(c) *Modification and Waiver*

The Trust Deed and the Collateral Management Agreement both provide that, without the consent of the Holders (other than as provided in paragraph (x), (xiii) and (xvii) below), the Issuer may 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) (as applicable), and subject to prior written notice to the Trustee, (other than in the case of an amendment, modification, supplement or waiver, pursuant to paragraphs (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 or the Trustee for the benefit of the Holders or to surrender any right or power in the Trust Deed or the Collateral Management Agreement (as applicable) conferred upon the Issuer;

(ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or subject to the security of the Trust Deed any additional property;

(iv) to evidence and provide for the acceptance of appointment under the Trust Deed by a successor Trustee subject to and in accordance with the terms of the Trust Deed and to add to or change any of the provisions of the Trust Deed as shall be necessary to facilitate the administration of the trusts under the Trust Deed by more than one Trustee, pursuant to the requirements of the relevant provisions of the Trust Deed;

(v) to make such changes as shall be necessary or advisable in order for the Securities of each Class to be (or to remain) listed on the Global Exchange Market of the Irish Stock Exchange or any other exchange;

(vi) to amend, modify, enter into or accommodate the execution of any Hedge Agreement upon terms satisfactory to the Collateral Manager;

(vii) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;

(viii) to take any action advisable to prevent the Issuer from being treated as resident in the UK for UK tax purposes, as trading through a permanent establishment in the UK for UK tax purposes or as subject to UK value added tax (in The Netherlands or elsewhere) in respect of any Collateral Management Fees;

(ix) to take any action advisable to (A) 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, or (B) prevent the Issuer from being treated as other than a corporation for United States federal income tax purposes;

(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 an officer or director of the Issuer certifies to the Trustee that such entry, amendment, modification or waiver would not, upon or after becoming effective, materially and adversely affect the rights or interests of Holders of any Class of Securities;

in each case provided that (x) any such additional agreements include customary limited recourse and non-petition provisions and (y) the consent of the Controlling Class acting by Ordinary Resolution has been obtained;

(xi) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management 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 or cure any ambiguity;

(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 Holders of any Class;

(xiii) to make such changes as the Issuer deems appropriate, and an opinion of counsel (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 the opinion) or a certificate of an officer of the Collateral Manager is delivered to the Trustee, in each case confirming that such changes do not materially and adversely affect the interests of Holders of any Class of Securities and in each case provided that the consent of the Controlling Class acting by Ordinary Resolution has been obtained;

(xiv) to amend the name of the Issuer;

(xv) to make any amendments to the Trust Deed to enable the Issuer to comply with FATCA or any other similar regime for the reporting and automatic exchange of tax information;

(xvi) to modify or amend any components of the Moody's Test Matrix or the Fitch Tests Matrix in order that they may be consistent with the criteria of the Rating Agencies (subject to receipt of written confirmation from the relevant Rating Agency that the modification or amendment of the relevant components is required in order to ensure that the relevant matrix is consistent with the criteria of such Rating Agency, which confirmation may be by email);

(xvii) to (A) modify or amend any components of the Portfolio Profile Tests or the Collateral Quality Tests and the definitions related thereto which affect the calculation thereof, or (B) modify the definition of "Credit Improved Obligation", "Credit Risk Obligation", "Defaulted Obligation" or "Equity Security", the restrictions on the sales of Collateral Obligations or the Eligibility Criteria or Restructured Obligation Criteria set forth in the Collateral Management Agreement, in each case in a manner that an officer of the Collateral Manager certifies to the Trustee would not materially adversely affect the interests of Holders of any Class of Securities, with respect to which a Rating Agency Confirmation has been obtained from the Rating Agencies then rating the Rated Notes; in each case provided that the consent of the Controlling Class acting by Ordinary Resolution has been obtained;

(xviii) to make any changes necessary (x) to reflect any additional issuances of Securities effected pursuant to Condition 17 (*Additional Issuances*) or (y) to issue any replacement notes in accordance with Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*);

(xix) to correct any inconsistency or ambiguity, omission or error in the Transaction Documents or to conform the Transaction Documents to the Offering Circular;

(xx) to modify the Transaction Documents in order to comply with Rule 17g-5 or Rule 17g-10 of the Exchange Act;

(xxi) to modify the terms of the Transaction Documents in order that they may be consistent with the criteria of the Rating Agencies, including to address any change in the rating methodology employed by either Rating Agency, in a manner that an officer of the Collateral Manager certifies to the Trustee would not materially adversely affect the interests of the Holders of the Securities of any Class and with respect to which a Rating Agency Confirmation has been obtained from each Rating Agency then rating the Rated Notes in respect of the Rated Notes;

(xxii) to modify the terms of the Transaction Documents and/or the Conditions in order to enable the parties to such Transaction Document to comply with any requirements which apply to it under EMIR, and/or the Dodd-Frank Act and/or any other applicable regulatory requirements, subject, in each case, to receipt by the Trustee of a certificate of the relevant party certifying to the Trustee that the requested amendments are to be made solely for the purpose of enabling such party to satisfy its requirements under EMIR and/or the Dodd-Frank Act (as applicable) or any other regulatory requirements, as applicable;

(xxiii) to accommodate the settlement of the Securities in book-entry form through the facilities of Euroclear or Clearstream, Luxembourg or otherwise;

(xxiv) to change the date within the month on which reports are required to be delivered;

(xxv) to reduce the Minimum Denomination of the Securities; provided that any such reduction in Minimum Denomination shall not result in a material disadvantage to the Holders or the Issuer in respect of any legal or regulatory requirement;

(xxvi) to modify the restrictions on and procedures for resales and other transfers of Securities 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;

(xxvii) to make any 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 Retention Requirements or to comply with any other risk retention legislation, regulations or official guidance;

(xxviii) to make any modification of any of the provisions of the Trust Deed, the Collateral Management Agreement or any other Transaction Document to comply with CRA3 or any amending regulation or legislation in relation thereto, including any implementing regulation, technical standards and guidance related thereto;

(xxix) to make any modification of any of the provisions of the Trust Deed, the Collateral Management Agreement or any Transaction Document to comply with AIFMD or the implementation of the implementing technical standards relating thereto or any subsequent legislation or official guidance relating to AIFMs;

(xxx) to amend, modify or supplement any Hedge Agreement, subject to receipt of Rating Agency Confirmation or such Hedge Agreement being a Form Approved Hedge following such amendment to the extent necessary to allow the Issuer or the relevant Hedge Counterparty to comply with any enactment, promulgation, execution or ratification of, or any change in or amendment to, any law or regulation (or in the application or official interpretation of any law or regulation) that occurs after the parties enter into the Hedge Agreement; and

(xxxi) 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*).

Any such modification, authorisation or waiver shall be binding upon the Holders and shall be notified by the Issuer as soon as practicable following the execution of any supplemental trust deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

(A) so long as any of the Rated Notes remains Outstanding, each such Rating Agency; and

(B) the Holders 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 that Hedge Counterparty's prior written consent if and for so long as any Transactions (as defined in the relevant Hedge Agreement) between such Hedge Counterparty and the Issuer remain outstanding.

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 seek the prior consent of such Hedge Counterparty in respect thereof, in each case to the extent required in accordance with and 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. 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.

For the avoidance of doubt, the Trustee shall, without the consent or sanction of any of the Holders or any other Secured Party (unless otherwise specified above), concur with the Issuer, in making any modification, amendment, waiver or supplement or in any other action or matter pursuant to the paragraphs above (other than a modification, waiver or authorisation pursuant to paragraphs (xi) or (xii) above in which the Trustee may, without the consent or sanction of any of the Holders or any other Secured Party, concur with the Issuer) to the Transaction Documents, provided that the Trustee shall not be obliged to agree to any modification or any other matter which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Trustee in respect of the Transaction Documents.

The fact that certain of the matters set out in (i) – (xxx) above expressly require the provision of a certificate, opinion or other evidence shall not prevent the Trustee from requiring evidence in relation to the matters set out in (i) – (xxx) above which do not

expressly require the provision of a certificate, opinion or other evidence in order to satisfy itself as to the existence or applicability of any of such last-mentioned matters.

In the case of a request for consent to a modification, amendment, waiver or authorisation pursuant to paragraphs (xi) and (xii) above any such modification, amendment, waiver or authorisation may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, provided that, under no circumstances shall the Trustee be required to give such consent on less than 21 days' notice and the Trustee shall be entitled to obtain, 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.

The Issuer shall notify in advance the Collateral Manager of any such modification, authorisation and waiver pursuant to Condition 7(h) (*Non-Consenting Amendment Redemption*).

(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 Holders 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 Securities 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 Holders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Holders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as the Rating Agency may require), to a change of the law governing the Securities 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 Holders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Holders, and shall be notified by the Issuer to the Holders 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 Holders of any Class, provided the Issuer does all such things as the Trustee may reasonably require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Holders as it may reasonably direct.

The Issuer shall procure that, so long as the Securities are listed on the Global Exchange Market of the Irish Stock Exchange any material amendments or modifications to the Conditions, the Trust Deed or such other conditions made pursuant to Condition 14 (*Meetings of Holders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

(e) *Entitlement of the Trustee and Conflicts of Interest*

In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)), the Trustee shall have regard to the interests of each Class of Holders as a Class and shall not have regard to the consequences of such exercise for individual Holders of such Class and the Trustee shall not be entitled to require, nor shall any Holder 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 Holders except to the extent already provided for in Condition 9 (*Taxation*).

In considering the interests of Holders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

The Trust Deed provides that in the event of any conflict of interest between or among the holders of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates, the Trustee shall give priority to the interests of (i) the Class A Holders over the Class B Holders, the Class C Holders, the Class D Holders, the Class E Holders, the Class F Holders and the Participating Term Certificateholders, (ii) the Class B Holders over the Class C Holders, the Class D Holders, the Class E Holders, the Class F Holders and the Participating Term Certificateholders, (iii) the Class C Holders over the Class D Holders, the Class E Holders, the Class F Holders and the Participating Term Certificateholders, (iv) the Class D Holders over the Class E Holders, the Class F Holders and the Participating Term Certificateholders, (v) the Class E Holders over the Class F Holders and the Participating Term Certificateholders and (vi) the Class F Holders over the Participating Term Certificateholders. If the Trustee receives conflicting or inconsistent requests from two or more groups of holders of a Class, given priority as described in this paragraph, each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater amount of Securities Outstanding of such Class. The Trust Deed provides further that, except as expressly provided otherwise in any applicable Transaction Document or these Conditions, the Trustee will act upon the directions of the holders of the Controlling Class (or other Class where the Holders of the Class or Classes having priority over such other Class do not, in the opinion of the Trustee, have an interest in the subject matter of such directions) (acting by Extraordinary Resolution) subject to being indemnified and/or secured and/or prefunded to its satisfaction, and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any other Class of Securities. In addition, the Trust Deed provides that, so long as any Security is Outstanding, the Trustee shall have no regard to the interests of any Secured Party other than the Holders 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 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 Securities 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 Holders will be valid if posted to the address of such Holder appearing in the Register at the time of publication of such notice by pre paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission, including electronic mail) and (for so long as the Securities are listed on the Global Exchange Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange. Any such notice shall be deemed to have been given to the Holders (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.

Notices will be valid and will be deemed to have been given, for so long as the Securities are admitted to trading on the Irish Stock Exchange, when such notice is filed in the Company Announcements Office of the Irish Stock Exchange.

The Trustee shall be at liberty to sanction some other method of giving notice to the Holders (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 Securities are then listed and provided that notice of such other method is given to the Holders in such manner as the Trustee shall require.

Notwithstanding the above, so long as any Securities are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Holders shall be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Securities provided that such notice is also made to the Company Announcements Office of the Irish Stock Exchange for so long as such Securities are listed on the Global Exchange Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require. Such notice will be deemed to have been given to the Holders 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 the approval of the Participating Term Certificateholders acting by Ordinary Resolution and the prior written approval of the Retention Holder, create and issue further Securities having the same terms and conditions as existing Classes of Securities (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Securities of such Class (unless otherwise provided), and will use the proceeds of sale thereof to purchase additional Collateral Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Securities and ownership of and disposition of the Collateral Obligations, provided that the following conditions are met:

(i) such additional issuances in relation to the applicable Class of Securities may not exceed 100 per cent. in the aggregate of the original aggregate principal amount of such Class of Securities;

(ii) such additional Securities must be issued for a cash sale price and the net proceeds invested in Collateral Obligations or, pending such investment, during the Initial Investment Period deposited in the Unused Proceeds Account or, thereafter, deposited in the Principal Account and, in each case, invested in Eligible Investments;

(iii) such additional Securities must be of each Class of Securities and issued in a proportionate amount among the Classes so that the relative proportions of aggregate principal amount of the Classes of Securities existing immediately prior to such additional issuance remain unchanged immediately following such additional issuance (save with respect to Participating Term Certificates 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 Securities must be identical to the terms of the previously issued Securities of the applicable Class of Securities;

(v) the Issuer must notify the Rating Agencies then rating any Securities of such additional issuance;

(vi) the Coverage Tests will be satisfied or, if not satisfied, will be maintained or improved after giving effect to such additional issuance of Securities compared to what they were immediately prior to such additional issuance of Securities provided that if the applicable Par Value Ratio immediately prior to such additional issuance of Securities is less than the applicable Initial Par Value Ratio, then the applicable Par Value Ratio following such additional issuance of Securities must be equal to or greater than the applicable Initial Par Value Ratio for such additional issuance of Securities;

(vii) the holders of the relevant Class of Securities in respect of which further Securities are issued shall have been notified in writing 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Securities of the relevant Class in an amount not to exceed the percentage of the relevant Class of Securities each holder held immediately prior to the issuance (the "**Anti Dilution Percentage**") of such additional Securities and on the same terms offered to investors generally;

(viii) (so long as the existing Securities of the Class of Securities to be issued are listed on the Global Exchange Market of the Irish Stock Exchange) the additional Securities of such Class to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the Global Exchange Market of the Irish Stock Exchange (for so long as the rules of the Irish Stock Exchange so requires);

(ix) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of The Netherlands and do not adversely affect the Dutch tax position of the Issuer;

(x) the Retention Holder consenting to purchase a sufficient amount of each Class of Securities which are the subject of such additional issuance such that the collateralised loan obligation transaction contemplated under the Transaction Documents would not cease to be compliant with the Retention Requirements following such additional issuance; and

(xi) an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters will be delivered to the Issuer and the Trustee to the

effect that (A) such additional issuance will not cause the opinion delivered on the Issue Date by Weil, Gotshal & Manges LLP with respect to the characterization of the Class A Notes, Class B Notes, Class C Notes, Class D Notes, and Class E Notes as indebtedness for U.S. federal income tax purposes to be incorrect, and (B) any additional Class A Notes, Class B Notes, Class C Notes or 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 opinion of tax counsel described in clause (xi)(B) will not be required with respect to any additional Securities that bear a different International Securities Identification Numbers (or equivalent identifier) from the Securities of the same Class that were issued on the Issue Date and are Outstanding at the time of the additional issuance; and provided further, however, that any issuance of additional Securities that are not fungible for U.S. federal income tax purposes with existing Securities shall have different International Securities Identification Numbers (or equivalent identifier).

(b) The Issuer may also issue and sell additional Participating Term Certificates (without issuing Securities of any other Class), subject to the approval of the Participating Term Certificateholders acting by Ordinary Resolution and the prior written approval of the Retention Holder having the same terms and conditions as existing Participating Term Certificates (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Participating Term Certificates, provided that:

(i) the subordination terms of such Participating Term Certificates are identical to the terms of the previously issued Participating Term Certificates;

(ii) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Participating Term Certificates must be identical to the terms of the previously issued Participating Term Certificates;

(iii) such additional Participating Term Certificates are issued for a cash sales price (the net proceeds to be (a) invested in Collateral Obligations or Eligible Investments or, pending such investment, deposited in, the Unused Proceeds Account prior to the expiry of the Initial Investment Period or the Principal Account after the expiry of the Initial Investment Period and in each case invested in Eligible Investments, provided that the Issuer or the Collateral Manager (acting on behalf of the Issuer) shall not enter into any binding commitments to purchase Collateral Obligations with such proceeds, until such proceeds have been deposited into the Unused Proceeds Account or the Principal Account (as applicable); or (b) paid into the Interest Account and used to make payments on any Payment Date in accordance with the Priorities of Payment);

(iv) the Issuer must notify the Rating Agencies then rating any Securities of such additional issuance;

(v) the Retention Holder consenting to purchase a sufficient amount of Participating Term Certificates which are the subject of such additional issuance such that the collateralised loan obligation transaction contemplated under the Transaction Documents would not cease to be compliant with the Retention Requirements following such additional issuance;

(vi) the holders of the Participating Term Certificates shall have been notified in writing 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Participating Term Certificates in an amount not to exceed the Anti Dilution Percentage of such additional Participating Term Certificates and on the same terms offered to investors generally;

(vii) such additional issuance is in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of The Netherlands and do not adversely affect the Dutch tax position of the Issuer; and

(viii) any issuance of additional Securities that are not fungible for U.S. federal income tax purposes with existing Securities shall have separate International Securities Identification Numbers.

(c) The Issuer may from time to time create and issue Non-Consenting Amendment Additional Notes, subject to and in accordance with Condition 7(h) (*Non-Consenting Amendment Redemption*), having the same terms and conditions as existing Classes of Securities (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Securities of such Class (unless otherwise provided), provided that the following conditions are met:

(i) such additional Securities must be issued for a cash sale price equal to the applicable Non-Consenting Amendment Redemption Price and the net proceeds will be applied in payment of the applicable Non-Consenting Amendment Redemption Price to the relevant Non-Consenting Holder;

(ii) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Securities must be identical to the terms of the previously issued Securities of the applicable Class of Securities;

(iii) the Issuer must notify the Rating Agencies then rating any Securities of such additional issuance;

(iv) so long as the existing Securities of the Class of Securities to be issued are listed on the Global Exchange Market of the Irish Stock Exchange, the additional Securities of such Class to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the Global Exchange Market of the Irish Stock Exchange (for so long as the rules of the Irish Stock Exchange so requires);

(v) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of The Netherlands and do not adversely affect the Dutch tax position of the Issuer;

(vi) the requirements of Condition 7(h) (*Non-Consenting Amendment Redemption*) are satisfied;

(vii) the collateralised loan obligation transaction contemplated under the Transaction Documents would not cease to be compliant with the Retention Requirements following such additional issuance; and

(viii) an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters will be delivered to the Issuer and the Trustee to the effect that (A) such additional issuance will not cause the opinion delivered on the Issue Date by Weil, Gotshal & Manges LLP with respect to the characterization of the Class A Notes, Class B Notes, Class C Notes, Class D Notes, and Class E Notes as indebtedness for U.S. federal income tax purposes to be incorrect, and (B) any additional Class A Notes, Class B Notes, Class C Notes or 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 opinion of tax counsel described in clause (viii)(B) will not be required with respect to any additional Securities that bear a different International

Securities Identification Numbers (or equivalent identifier) from the Securities of the same Class that were issued on the Issue Date and are Outstanding at the time of the additional issuance; and provided further, however, that any issuance of additional Securities that are not fungible for U.S. federal income tax purposes with existing Securities shall have different International Securities Identification Numbers (or equivalent identifier).

(d) References in these Conditions to the "**Securities**" include (unless the context requires otherwise) any other securities issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Securities. Any further securities forming a single series with Securities constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

18 Third Party Rights

No person shall have any right to enforce any term or Condition of the Securities under the Contracts (Rights of Third Parties) Act 1999.

19 Governing Law

(a) *Governing Law*

The Trust Deed (excluding, for the avoidance of doubt, the Euroclear Security Agreement) and each Class of Securities 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 (excluding, for the avoidance of doubt, the Euroclear Security Agreement) or any Class of Securities are governed by and shall be construed in accordance with English law. The Issuer Management Agreement and the Letter of Undertaking are governed by and shall be construed in accordance with Dutch law. The Euroclear Security Agreement is governed by and shall be construed in accordance with Belgian law.

(b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Securities, and accordingly any legal action or proceedings arising out of or in connection with the Securities ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed (excluding, for the avoidance of doubt, the Euroclear Security Agreement) 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 Holders 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) The Issuer has agreed for the benefit of the Trustee that any dispute in connection with the Euroclear Security Agreement will be subject to the exclusive jurisdiction of the courts of Brussels..

(c) *Agent for Service of Process*

The Issuer appoints TMF Corporate Services Limited of 6 St. Andrew Street, 5th Floor, London EC4A 3AE, United Kingdom as its agent in England to receive service of process in any Proceedings in England based on any of the Securities. 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 Holders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds of the issue of the Securities after payment of fees and expenses payable on or about the Issue Date are expected to be approximately €449,625,000. Such proceeds will be used by the Issuer (i) for the repayment of any amounts borrowed by the Issuer (together with any interest thereon) pursuant to the Warehouse Arrangements, (ii) to fund the First Period Reserve Account in an amount equal to €750,000, and (iii) all other amounts due in order to finance the acquisition of Collateral Obligations complying with the Eligibility Criteria and purchased by the Issuer during the Initial Investment Period.

FORM OF THE SECURITIES

References below to Securities and to the Global Certificates and the Definitive Certificates representing such Securities are to each respective Class of Securities, except as otherwise indicated.

Initial Issue of Securities

The Regulation S Notes of each Class will be represented on issue by a Regulation S Global Certificate deposited with, and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Certificate may be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". Beneficial interests in a Regulation S Global Certificate may not be held by a U.S. Person or U.S. Resident at any time. By acquisition of a beneficial interest in a Regulation S Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. Person, and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only to a person whom the seller reasonably believes (a) to be a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Global Certificate. See "*Transfer Restrictions*".

The Rule 144A Notes of each Class will be represented on issue by a Rule 144A Global Certificate deposited with a custodian for, and registered in the name of a nominee of, DTC. Beneficial interests in a Rule 144A Global Certificate may only be held through DTC at any time. See "*Book Entry Clearance Procedures*". By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, amongst other things, that it is a QIB/QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Trust Deed. See "*Transfer Restrictions*".

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and as set forth in Rule 144A and Regulation S, and the Securities will bear the applicable legends regarding the restrictions set forth under "*Transfer Restrictions*". In the case of each Class of Securities, a beneficial interest in a Regulation S Global Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by the Trustee of a written certification (in the form provided in the Trust Deed) to the effect that the transferor reasonably believes that the transferee is a QIB/QP and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate only upon receipt by the Trustee 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 in an offshore transaction 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 Securities, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

A transferee of a Class E Note, a Class F Note or Participating Term Certificate in the form of a Rule 144A Global Note or Certificate or a Regulation S Global Note or Certificate will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person, other than a Permitted Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Class E Note, Class F Note or Participating Term Certificate in the form of a Rule 144A Global Note or Certificate or a Regulation S Global Note or Certificate unless such transferee: (i) obtains the written consent of the Issuer (which consent, without limitation, will not be given if such purchaser or transferee holding such Security would result in a material risk that 25.0 per cent. or more of the total value of any class of equity interest (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed) would be deemed to be held by Benefit Plan Investors for the purposes of ERISA); and (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex A).

The Securities 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 or Clearstream, Luxembourg, DTC or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

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 Securities.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Securities 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 the event a Global Certificate is to be exchanged, 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 Holders. 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 Class E Note, Class F Note or Participating Term Certificate in registered definitive form, as applicable, may transfer the Securities 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, consent of the Issuer and a duly completed ERISA Certificate substantially in the form of Annex A. Upon the transfer, exchange or replacement of a Definitive Class E Note, Class F Note or Participating Term 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 Class E Notes, Class F Notes or Participating Term 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 information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg or DTC (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. This information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain no facts have been omitted which would render the reproduced information inaccurate or misleading. None of the Issuer, the Trustee, the Collateral Manager, 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 and DTC

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg and DTC to facilitate the initial issue of the Securities and cross-market transfers of the Securities associated with secondary market trading (See "*Settlement and Transfer of Securities*" below).

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust

companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Investors may hold their interests in a Rule 144A Global Certificate directly through DTC if they are participants ("**Direct Participants**") in the DTC system, or indirectly through organisations which are Direct Participants in such system ("**Indirect Participants**" and together with Direct Participants, "**Participants**").

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Securities (including, without limitation, the presentation of Global Certificates for exchange as described under "*Form of the Securities — Exchange for Definitive Certificates*" above) only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the relevant Rule 144A Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described under "*Form of the Securities — Exchange for Definitive Certificates*" above, DTC will surrender the relevant Rule 144A Global Certificates in exchange for individual Definitive Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

Each Regulation S Global Certificate will have an ISIN and a Common Code and will be registered in the name of a nominee of a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

DTC

Each Rule 144A Global Certificate will have an ISIN and a CUSIP number and will be deposited with a custodian (the "**DTC Custodian**") for and registered in the name of a nominee of DTC. The DTC Custodian and DTC will electronically record the principal amount of the Securities held within the DTC System.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Security represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Securities represented by a Global Certificate, the common depositary by whom such Security is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Securities for so long as the Securities 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 Securities

Subject to the rules and procedures of each applicable Clearing System, purchases of Securities held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Securities on the Clearing System's records. The ownership interest of each actual purchaser of each such Security (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 Securities 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 Securities, 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 Securities held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Certificate to such persons may be limited.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Securities held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

Trading between DTC Participants

Secondary market sales of book-entry interests in the Securities between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement ("**SDFS**") system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser

When book-entry interests in Securities are to be transferred from the account of a DTC participant holding a beneficial interest in a Rule 144A Global Certificate to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in a Regulation S Global Certificate (subject to the certification procedures provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement

date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the custodian of the Rule 144A Global Certificate will instruct the Registrar to (i) decrease the amount of Securities registered in the name of the nominee of DTC and evidenced by the Rule 144A Global Certificate of the relevant Class and (ii) increase the amount of Securities registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first Business Day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser

When book-entry interests in the Securities are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the Rule 144A Global Certificate (subject to the certification procedures provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7.45 p.m., Brussels or Luxembourg time, one Business Day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Rule 144A Global Certificate who will in turn deliver such book-entry interests in the Securities free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Securities registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Certificate and (ii) increase the amount of Securities registered in the name of the nominee of DTC and evidenced by the Rule 144A Global Certificate.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or any Agent will have any responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Currency of Payments in respect of the Rule 144A Notes

Subject to the following paragraph, while interests in the Rule 144A Notes are held by a nominee for DTC, all payments in respect of such Rule 144A Notes will be made in U.S. Dollars. As determined by the Exchange Agent under the terms of the Agency Agreement, the amount of U.S. Dollars payable in respect of any particular payment under the Rule 144A Notes will be equal to the amount of Euros otherwise payable exchanged into U.S. Dollars at the Euro/U.S. Dollar rate of exchange prevailing as at 11:00 a.m. (London time) on the day which is two London and New York Business Days prior to the relevant payment date, less any costs incurred by the Exchange Agent for such conversion (to be shared pro rata among the holders of the Rule 144A Notes accepting U.S. Dollar payments in proportion to their respective holdings), all as set out in more detail in the Agency Agreement.

Notwithstanding the above, the holder of an interest through DTC in a Rule 144A Note may make application to DTC to have a payment or payments under such Rule 144A Notes made in Euro by notifying the DTC participant through which its book-entry interest in the Rule 144A Global

Certificate is held on or prior to the record date of (a) such investor's election to receive payment in Euro, and (b) wire transfer instructions to an account entitled to receive the relevant payment. Such DTC participant must notify DTC of such election and wire transfer instructions on or prior to the twelfth London and New York Business Day before any payment of interest and or principal. DTC will notify the Exchange Agent of such election and wire transfer instructions on or prior to the tenth London and New York Business Day prior to any payment of interest or principal. If complete instructions are received by the DTC participant and forwarded by the DTC participant to DTC and by DTC to the Exchange Agent on or prior to such date, such investor will receive payments in Euro, otherwise only U.S. Dollar payments will be made by the Principal Paying Agent. All costs of such payment by wire transfer will be borne by holders of book-entry interests receiving such payments by deduction from such payments.

In this paragraph "**London and New York Business Day**" means any day on which commercial banks and foreign exchange markets settle payments in London and New York City.

RATINGS OF THE SECURITIES

General

It is a condition of the issue and sale of the Securities that the Securities (except for the Participating Term Certificates) be issued with at least the following ratings: the Class A Notes "AAA sf" from Fitch and "Aaa (sf)" from Moody's; the Class B Notes: "AA sf" from Fitch and "Aa2 (sf)" from Moody's; the Class C Notes: "A sf" from Fitch and "A2 (sf)" from Moody's; the Class D Notes: "BBB sf" from Fitch and "Baa2 (sf)" from Moody's; the Class E Notes: "BB sf" from Fitch and "Ba2 (sf)" from Moody's; and the Class F Notes: "B- sf" from Fitch and "B2 (sf)" from Moody's. The Participating Term Certificates being offered hereby will not be rated.

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 Class A Notes and the Class B Notes by Fitch address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the other Rated Notes by Fitch address the ultimate payment of principal and interest.

The ratings assigned to the Rated Notes by Fitch are based upon Fitch's statistical analysis of historical default rates on debt obligations with similar characteristics to the Collateral Obligations and the various eligibility requirements that the Collateral Obligations are required to satisfy.

Fitch analyses the likelihood that each Collateral Obligation will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as obligations with lower ratings are added to the Portfolio) and an additional default assumption to account for future fluctuations in defaults. Fitch then determines the level of credit protection necessary based on a specific percentile of the Portfolio default distribution determined by the Fitch 'Portfolio Credit Model' which takes into account the correlation between assets in the portfolio based on the level of diversification by region, issuer and industry. The results of a statistical analysis are incorporated into a cash flow model built to mimic the structure of the transaction. In this regard, the results of several default scenarios, in conjunction with various qualitative tests (e.g. analysis of the strength of the Collateral Manager), are used to determine the credit enhancement required to support a particular rating.

Fitch Ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Collateral Obligations will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not differ from those assumed by Fitch.

In addition to those quantitative tests, Fitch Ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager, the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.

Moody's Ratings

Moody's Ratings address the expected loss posed to investors by the legal and final maturity on the Maturity Date.

Moody's analysis of the likelihood that each Collateral Obligation will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as obligations with lower ratings are added to the Portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the

level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the expected volatility of the default rate of the Portfolio based on the level of diversification by region, issuer and industry.

There can be no assurance that the actual default rates on the Collateral Obligations held by the Issuer will not exceed the rates assumed by Moody's in its analysis.

In addition to these quantitative tests, Moody's Ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager, the legal structure and the risks associated with such structure and other factors that Moody's deems relevant.

THE ISSUER

General

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated with the name of ALME Loan Funding IV B.V. under the laws of The Netherlands on 23 January 2015 for an indefinite period having its corporate seat in Amsterdam, The Netherlands, its registered office at Herikerbergweg 238, Luna ArenA, 1101 CM, Amsterdam, The Netherlands. The Issuer is registered in the commercial register of the Dutch Chamber of Commerce under number 62477897. The telephone number of the registered office of the Issuer is +31 (0)20 575 5600 and the facsimile number is +31 (0)20 673 0016.

Corporate Purpose of the Issuer

The Issuer is organised as a special purpose company and was established to raise capital by the issue of the Securities. The Articles of Association (the "**Articles**") of the Issuer dated 23 January 2015 (as currently in effect) provide under Article 2(1) that the objects of the Issuer are:

(a) to raise funds through, *inter alia*, borrowing under loan agreements, the issuance of bonds and other debt instruments, the use of financial derivatives or otherwise and to invest and apply funds obtained by the Issuer in, *inter alia*, (interests in) loans, bonds, debt instruments, shares, warrants and other similar securities and also in financial derivatives;

(b) to grant security for the Issuer's obligations and debts;

(c) to enter into agreements, including, but not limited to, financial derivatives such as interest and/or currency exchange agreements in connection with the objects mentioned under (a) and (b); and

(d) to enter into agreements, including, but not limited to, bank, securities and cash administration agreements, asset management agreements and agreements creating security in connection with the objects mentioned under (a), (b) and (c) above.

Management

The current managing directors (the "**Managing Directors**") are:

Name	Occupation	Business Address
Arthur Weglau	Managing Director	Herikerbergweg 238 1101 CM Amsterdam The Netherlands
Hubertus Petrus Cornelis Mourits	Managing Director	Herikerbergweg 238 1101 CM Amsterdam The Netherlands
Jakob Pieter Boonman	Managing Director	Herikerbergweg 238 1101 CM Amsterdam The Netherlands

Pursuant to the Issuer Management Agreement, the Managing Directors will provide management, corporate and administrative services to the Issuer. The Issuer may terminate the Issuer Management Agreement by giving not less than fourteen calendar days' written notice. The Managing Directors may retire from their obligations pursuant to the Issuer Management Agreement by giving at least two months' notice in writing to the Issuer. The Managing Directors

have undertaken not to resign unless suitable replacement managing directors have been contracted.

Managing Directors' Experience

Mr Arthur Weglau

Arthur Weglau is Head Transaction Manager at TMF Structured Finance Services in The Netherlands. Before joining the TMF Group, Mr Weglau worked for PricewaterhouseCoopers as a Tax Advisor, providing tax advice and assistance to foreign multinational companies expanding their business into The Netherlands. Mr Weglau holds a Master's degree in Dutch Tax Law from Groningen University, and completed a post academic programme in Structured Finance at the Grotius Academy.

Mr Huub P.C. Mourits

Mr Mourits joined the TMF Group in 2001 as (Risk) Controller of the Financial Services division. In this capacity Mr Mourits implemented risk control mechanisms and guidelines in various areas, including operational risk control tools for securitisation transactions and CDO's. In June 2007 he became Global Managing Director of TMF Structured Finance Services. Before joining TMF, Mr Mourits was employed as a Risk Controller at NIB Capital Bank (now NIBC Bank N.V.). Mr Mourits holds a Master's degree in Economics and Business Administration.

Mr Jakob Pieter Boonman

Jakob Boonman is a Senior Transaction Manager at TMF Structured Finance Services in The Netherlands. Before joining the TMF Group in 2013, Mr. Boonman worked as a legal counsel at an international investment firm in Antwerp and Amsterdam. Prior to this position Mr. Boonman held several legal and commercial positions at IMFC Management B.V. / Structured Finance Management (Netherlands) B.V., and the Amicorp Group. Mr. Boonman holds a Master Degree in Dutch Civil Law from the University of Utrecht.

Capital and Shares

The Issuer's issued share capital is one share which is fully paid up with a nominal value of €1.00.

Capitalisation

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

Share Capital

Issued and fully paid one ordinary registered share of €1.00.

Loan Capital

Class A Notes	€272,250,000
Class B-1 Notes	€40,500,000
Class B-2 Notes	€10,000,000
Class C Notes	€23,750,000
Class D Notes	€23,750,000
Class E Notes	€29,500,000
Class F Notes	€14,500,000
Participating Term Certificates	€44,500,000

Total Loan Capitalisation €458,750,000

Holding Structure

The entire issued share capital of the Issuer is directly owned by Stichting ALME Loan Funding IV, a foundation (*stichting*) incorporated under the laws of The Netherlands, having its statutory seat in Amsterdam, The Netherlands and its registered office at Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands and registered with the trade register of the Chamber of Commerce (*Kamer van Koophandel*) under number 62472259 (the "**Foundation**").

None of the Collateral Manager, the Collateral Administrator, the Trustee or any company Affiliated with any of them, directly or indirectly, owns any of the share capital of the Issuer. TMF Management B.V. is the sole director of the Foundation.

Pursuant to the terms of a foundation management agreement dated on or about the Issue Date between the Foundation and TMF Management B.V. and a letter of undertaking dated on or about the Issue Date from, *inter alios*, the Foundation and TMF Management B.V. to the Collateral Manager, the Initial Purchaser and the Trustee, measures will be in put in place to limit and regulate the control which the Foundation has over the Issuer.

Subsidiaries

The Issuer has no subsidiaries.

Administrative Expenses of the Issuer

The Issuer is expected to incur certain Administrative Expenses (as defined in Condition 1 (Definitions) of the Terms and Conditions of the Securities).

Financial Statements

The auditors of the Issuer are Mazars Paardekooper Hoffman Accountants N.V., whose registered address is Mazars Tower, Delflandlaan 1, P.O. Box 7266, 1007 JG Amsterdam, The Netherlands, and are a member of the Koninklijk Nederlands Instituut van Registeraccountants and registered auditors qualified in practice in The Netherlands. The Issuer has not prepared any financial statements as at the date of this Offering Circular.

Business Activity

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the authorisation and entry into of the Warehouse Arrangements, the acquisition of the Portfolio, the authorisation of the issue of Securities and activities incidental to the exercise of its rights and compliance with its obligations under the Transaction Documents and any Reporting Delegation Agreement.

THE COLLATERAL MANAGER

The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Issuer, the Initial Purchaser or any other party other than the Collateral Manager assumes any responsibility for the accuracy or completeness of such information.

Certain administrative and management functions with respect to the Collateral will be performed by Apollo Management International LLP ("**Apollo**") as the Collateral Manager under the Collateral Management Agreement to be entered into on or prior to the Closing Date between the Issuer and the Collateral Manager. The Collateral Manager is located at 25 St. George Street, London, W1S 1FS.

Apollo is a subsidiary of Apollo Global Management, LLC (together with its subsidiaries, "**AGM**") and serves as sub-collateral manager of the ALME Loan Funding 2013-1 Limited collateralised loan obligation vehicle, as manager of the ALME Loan Funding II Limited collateralised loan obligation vehicle and as manager of the ALME Loan Funding III Limited collateralised loan obligation vehicle. AGM was founded in 1990 and is a global alternative investment manager with more than 352 investment personnel and approximately $161.8 billion in assets under management, each as of 30 September 2015. AGM's Class A shares currently trade on the New York Stock Exchange under the symbol "APO". AGM's business is divided into three primary business segments—credit, private equity and real estate.

AGM's credit-oriented capital markets operations commenced in 1990 with the management of a $3.5 billion high-yield bond and leveraged loan portfolio. AGM's capital markets operations are led by James Zelter, who has served as the managing director of the capital markets business since April 2006. AGM's credit business had total assets under management of approximately $112.8 billion as of 30 September 2015.

Key Personnel

The names of certain senior executives of AGM are listed below. There can be no assurance that such persons will remain in such positions with AGM or, even if they do so, will be involved in the management of the Issuer, the Collateral Obligations or in carrying out any of the other obligations of Apollo under the Collateral Management Agreement during the term thereof.

Leon Black. Mr. Black is the Chairman of the Board and Chief Executive Officer of Apollo Global Management, LLC and a Managing Partner of Apollo Management, L.P. which he founded in 1990 to manage investment capital on behalf of a group of institutional investors, focusing on corporate restructuring, leveraged buyouts, and taking minority positions in growth-oriented companies. From 1977 to 1990, Mr. Black worked at Drexel Burnham Lambert Incorporated, where he served as Managing Director, head of the Mergers & Acquisitions Group and co-head of the Corporate Finance Department. He serves on the boards of directors of Apollo Global Management, LLC, Sirius XM Radio Inc., and the general partner of AP Alternative Assets. Mr. Black is a trustee of Dartmouth College, The Museum of Modern Art, Mt. Sinai Hospital, The Metropolitan Museum of Art, Prep for Prep, and The Asia Society. He is also a member of The Council on Foreign Relations, The Partnership for New York City and the National Advisory Board of JPMorganChase. Mr. Black is also a member of the Board of Faster Cures and the Port Authority Task Force. He graduated summa cum laude from Dartmouth College in 1973 with a major in Philosophy and History and received an MBA from Harvard Business School in 1975.

Marc Rowan. Mr. Rowan is a co-founder and Senior Managing Director of Apollo Global Management, LLC, a leading alternative asset manager focused on contrarian and value oriented investments across private equity, credit-oriented capital markets and real estate. Mr. Rowan currently serves on the boards of directors of Apollo Global Management, LLC, Athene Holding

Ltd., Caesars Entertainment Corp., Caesars Acquisition Co. and Caesars Entertainment Operating Co. He has previously served on the boards of directors of the general partner of AP Alternative Assets, L.P., AMC Entertainment, Inc., Beats Music, CableCom Gmbh., Countrywide PLC, Culligan Water Technologies, Inc., Furniture Brands International, Mobile Satellite Ventures, National Cinemedia, Inc., National Financial Partners, Inc., New World Communications, Inc., Norwegian Cruise Lines, Quality Distribution, Inc., Samsonite Corporation, SkyTerra Communications, Inc., Unity Media SCA, Vail Resorts, Inc. and Wyndham International, Inc. Marc is a founding member and Chairman of YRF-Darca and a member of the Board of Overseers of The Wharton School. He serves on the boards of directors of Jerusalem Online and the New York City Police Foundation. Mr. Rowan graduated Summa Cum Laude from the University of Pennsylvania's Wharton School of Business with a BS and an MBA in Finance.

Joshua Harris. Mr. Harris is a co-founder and Senior Managing Director of Apollo Global Management, LLC, which he co-founded in 1990, and is also a member of Apollo's Illiquid Opportunistic Credit Investment Committee. Prior to 1990, Mr. Harris was a member of the Mergers and Acquisitions group of Drexel Burnham Lambert Incorporated. Mr. Harris currently serves on the boards of directors of Apollo Global Management, LLC, Berry Plastics Group, LyondellBasell Industries, CEVA Logistics, Momentive Performance Materials, EP Energy and Constellium. Mr. Harris is a member of The Federal Reserve Bank of New York Investors Advisory Committee on Financial Markets. He is a member of the Council on Foreign Relations. Mr. Harris serves as Chairman of the Department of Medicine Advisory Board for The Mount Sinai Medical Center and is on the Board of Trustees of the Mount Sinai Medical Center. He is a member of The University of Pennsylvania's Wharton Undergraduate Executive Board and is on the Board of Trustees for The Allen-Stevenson School and Harvard Business School. Mr. Harris is on the Board of Trustees for the United States Olympic Committee. He is also the Managing Partner of the Philadelphia 76ers. Mr. Harris graduated summa cum laude and Beta Gamma Sigma from the University of Pennsylvania's Wharton School of Business with a BS in Economics and received his MBA from the Harvard Business School, where he graduated as a Baker and Loeb Scholar.

The names of the principal employees of Apollo Credit who may initially be involved in the selection and management of the Collateral Obligations and their principal occupations during the past five years are listed below. There can be no assurance that such persons will continue to be employed by Apollo Credit or if so employed, be involved in the management of the Collateral Obligations and in carrying out the other obligations of Apollo Credit under the Collateral Management Agreement during the term thereof.

James Zelter. Mr. Zelter joined Apollo in 2006 and is Managing Partner and Chief Investment Officer of Apollo Capital Management, LLC, Apollo's multi-billion credit asset management business. Mr. Zelter is the Managing Director of Apollo Global Management, LLC and the Chief Executive Officer and director of Apollo Investment Corporation. Prior to joining Apollo, Mr. Zelter was with Citigroup Inc. and its predecessor companies from 1994 to 2006. From 2003 to 2005, Mr. Zelter was Chief Investment Officer of Citigroup Alternative Investments, and prior to that he was responsible for the firm's Global High Yield franchise. Prior to joining Citigroup in 1994, Mr. Zelter was a High Yield Trader at Goldman Sachs & Co. Mr. Zelter is a board member of DUMAC, the investment management company that oversees the Duke Endowment and Duke Foundation, and is on the Board of the Dalton School. Mr. Zelter has a degree in Economics from Duke University.

Anthony M. Civale. Mr. Civale is Lead Partner and Chief Operating Officer of Apollo Capital Management, LP. Mr. Civale co-founded Apollo's senior credit and structured credit businesses and ran corporate development and strategy for Apollo Global Management, LLC, Apollo's publicly traded parent company. Prior to that time, Mr. Civale served as a Senior Partner in Apollo's private equity business and joined the firm in 1999. Mr. Civale has previously served on the board of directors of Berry Plastics Group, Goodman Global, Inc., Harrah's Entertainment, HFA Holdings Limited, Prestige Cruises and Covalence Specialty Materials. Mr. Civale is also

involved in charitable endeavors including his service on the Board of Trustees of Middlebury College and the Board of Directors of Youth, I.N.C. Prior to joining Apollo in 1999, Mr. Civale was employed by Deutsche Bank Securities, Inc. and Bankers Trust Company in the Financial Sponsors Group within the Corporate Finance division responsible for sourcing, structuring and executing financing and merger and acquisition advice for the firm's private equity clients. Mr. Civale graduated from Middlebury College with a B.A. in Political Science.

Michael Levitt. Mr. Levitt joined Apollo in 2012 as Vice Chairman of Apollo Credit Management, LLC. Mr. Levitt founded Stone Tower Capital LLC ("STC") in 2001, where he was responsible for the overall strategic direction of STC and the development of the firm's investment philosophies. He has spent his entire twenty-eight year career managing or advising non-investment grade businesses and investing in non-investment grade assets. Previously, Mr. Levitt worked as a partner in the New York office of Hicks, Muse, Tate & Furst Incorporated, where he was involved in many of the firm's investments. Additionally, he managed the firm's relationships with banking firms. Prior thereto, Mr. Levitt served as the Co-Head of the Investment Banking Division of Smith Barney Inc. with responsibility for the advisory, private equity sponsor and leveraged finance activities of the firm. Mr. Levitt began his investment banking career at, and ultimately served as a Managing Director of, Morgan Stanley & Co., Inc. Mr. Levitt oversaw the firm's corporate finance and advisory businesses related to private equity firms and non-investment grade companies. Mr. Levitt has a B.B.A. from the University of Michigan and a J.D. from the University of Michigan Law School. Mr. Levitt serves on the University of Michigan's Investment Advisory Board.

Sanjay Patel. Mr. Patel is a Senior Partner of Apollo and Head of Europe, having joined the Firm in 2010. He is also a member of the Operating Committee and Senior Management Committee, and is resident in the London office. He was previously a partner at Goldman Sachs & Co. where he was co-head of European and Indian Private Equity for the Principal Investment Area ("PIA"). Mr. Patel was also a member of Goldman Sachs Partnership Committee and a member of the Investment Committee of the Goldman Sachs Foundation. Mr. Patel started his career at Goldman, Sachs & Co. in 1983 and spent seventeen years in PIA in New York and London. He also served as President of Greenwich Street Capital from 1998 to 2003. Mr. Patel serves on the board of directors of Brit Insurance and Aurum Holdings. Mr. Patel is a member of the Board of Overseers for Harvard University and is a member of the Executive Committee of the Harvard College Fund. He is also a member of the Advisory Council of Impetus – The Private Equity Foundation in the UK and serves on the Investment Committee of the Eton College Foundation. Mr. Patel received an engineering degree, magna cum laude, from Harvard College and received his MBA from the Stanford Graduate School of Business, where he was an Arjay Miller Scholar. He was educated at Eton College in the UK, where he was a King's Scholar.

Robert Ruberton. Mr. Ruberton joined Apollo in 2004, and is a Partner and head of the firm's Illiquid Credit business. He is the Senior Portfolio Manager of multiple fund products, including the Credit Opportunity Funds, Apollo European Credit and a number of Managed Accounts. Rob is a member of the firm's Liquid Credit Investment Committee, Illiquid Credit Investment Committee, and Asia Credit Investment Committee. He is also a member of the Senior Management Committee, the European Management Committee and the Asia Management Committee. He came to Apollo in 2004 after four years at Arsenal Capital Partners, a middle-market private equity fund. Prior to that, Rob was an investment banker at Donaldson, Lufkin & Jenrette from 1997 to 2000. He graduated cum laude from Harvard College with an AB in Economics in 1997.

Joseph Moroney. Mr. Moroney joined Apollo in 2008 and is the Senior Portfolio Manager and Co-Head of Apollo's Global Performing Credit Group, which will be responsible for services provided under the Collateral Management Agreement. Prior to joining Apollo, Mr. Moroney was with Aladdin Capital Management where he served as the Senior Managing Director and Senior Portfolio Manager in its Leveraged Loan Group. Mr. Moroney's investment management career spans over 20 years, with experience at various leading financial services firms including Merrill

Lynch Investment Managers and MetLife. Mr. Moroney graduated from Rutgers University with a BS in Ceramic Engineering and serves as a member of the Board of Overseers of the Rutgers Foundation. He is a Chartered Financial Analyst and a member of the NYSSA.

Dana Carey. Mr. Carey is a Senior Portfolio Manager and Co-Head of Apollo's Global Performing Credit Group, which will be responsible for services provided under the Collateral Management Agreement. Mr Carey is also responsible for the Corporate Credit Fund, a role he has maintained since 2009. Prior to joining Apollo, he spent seven years at Stone Tower Capital, where he was a Partner and Co-Head of Special Situations. Previously, Mr. Carey worked for Shelter Capital Partners and JPMorgan Chase & Co. Mr. Carey holds a B.A. from Tufts University and a M.B.A. from the Graduate School of Business at Columbia University.

Bret Leas. Mr. Leas joined Apollo in 2009 and is the senior portfolio manager and co-head of Apollo's Structured Products Group. Prior to joining Apollo, Mr. Leas was a Managing Director in the Credit Structuring Group at Barclays Capital with primary responsibility for the loan structuring and advisory team. At Barclays Capital he developed their market value and TRS CLO programs as well as their ABS CDO commercial paper program. From 2000-2004, he was an associate at Weil, Gotshal & Manges LLP, primarily focusing on asset-backed securities, CDOs and credit derivatives. Mr. Leas is a member of the Advisory Board of the Make-A-Wish Foundation of Metro New York and Western New York. Mr. Leas graduated cum laude from the University of Maryland with a B.A. in History and received his J.D., cum laude, from Georgetown University Law Center.

Jeppe Gregersen. Mr. Gregersen joined Apollo in 2010. From 2005-2010, Mr. Gregersen was a Vice President at GSC Group, a European mezzanine fund, where he was responsible for originating, structuring and executing mezzanine investments. Prior to that time, Mr. Gregersen worked in the Debt Capital Market and Investment Banking divisions of JPMorgan Chase & Co. Mr. Gregersen holds a MSc. in Finance from the Stockholm School of Economics.

Ralf Ackermann. Mr. Ackermann joined Apollo in 2007. Mr. Ackermann heads up the European opportunistic credit business and is co-portfolio manager of a global opportunistic credit managed account. Previously, he was a member of the Bank Loan Distressed Investing Group at Goldman Sachs in London. Prior to Goldman, Mr. Ackermann worked as an investment banker at Greenhill & Co. in Frankfurt and London focusing on Mergers & Acquisitions. Mr. Ackermann holds a B.Sc. Economics degree with first class honors from the London School of Economics and Political Science.

Alan Kelly. Mr. Kelly joined Apollo in 2012. Prior to joining Apollo, Mr. Kelly was responsible for seeking investment opportunities and marketing Stone Tower Capital's services in Europe. Previously Mr. Kelly spent ten years as a Senior Portfolio Manager with LBBW in its Irish Asset Management subsidiary focused on structured credit assets. Prior to joining the credit team in LBBW Ireland, Mr Kelly spent five years as an interest rate trader. Mr Kelly holds a B. Comm degree and an MBS in Financial Services from University College Dublin.

Steve Baker. Mr. Baker joined Apollo in 2013. Previously, Mr. Baker was a Technical Specialist in Structured Finance at the FSA in London where he reviewed regulatory capital relief transactions and represented the UK at the EBA Securitisation subgroup (including advising on Article 122a). Prior to that Steve was at Standard Chartered in London in the Structured Finance Solutions group. Before that Steve was at Lehman Brothers in the CLO Banking group. Prior to Lehman Steve worked at Natixis and CIBC in structured finance. Steve holds a BASc with first class honours in Computer Engineering from the University of Waterloo, an MBA from the University of Western Ontario, and is a CFA charter holder.

Dan Robinson. Mr. Robinson joined Apollo in 2015, and heads Apollo's European Performing Credit business. He is the Portfolio Manager on selected European Performing Credit funds, including Apollo's three European CLOs. From 2003 – 2015 Mr. Robinson was a Managing

Director at Oaktree Capital Management LLP where he led the development of their European CLO business along with responsibilities for investment analysis and trading within their Global and European High Yield bond funds and European Leveraged Loan funds. From 1999 – 2003 Mr. Robinson served as an Associate at KPMG Corporate Restructuring where he became an ACA charter holder. Mr. Robinson graduated from Edinburgh University with an MA (Hons) in Politics.

Policies and Procedures

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 Obligations, see the information set out in this Offering Circular headed "*The Portfolio*" which describes the criteria that the selection of Collateral 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 or any regulatory 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 information that it reasonably believes is appropriate 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 Obligations and the reports prepared and provided in respect of such Collateral Obligations).

THE RETENTION HOLDER AND RETENTION REQUIREMENTS

The following section contains a summary of certain provisions of the Risk Retention Letter which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.

Description of the Retention Holder

Apollo Management International LLP (the entity that acts as the Collateral Manager) shall act as Retention Holder for the purposes of the Retention Requirements.

The description and the address of the Retention Holder are set out in the "**Collateral Manager**" section of this Offering Circular.

The Retention

On the Issue Date, the Retention Holder acting for its own account will execute the Risk Retention Letter addressed to the Issuer, the Trustee (for the benefit of the Holders), the Collateral Administrator and the Initial Purchaser.

Under the Risk Retention Letter, the Retention Holder will, for so long as any Class of Securities remains Outstanding:

(a) undertake to subscribe for, hold and retain a material net economic interest of not less than five per cent. of the nominal value of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates then Outstanding within the meaning of paragraph 1(a) of Article 405 of the CRR and Article 51(1)(a) of the AIFMD Delegated Regulation and Article 254 of the Solvency II (in each case as such provision applies as at the Issue Date) by subscribing for and holding, on an ongoing basis, and for so long as any Securities are Outstanding, no less than five per cent. of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates then Outstanding (such Securities being the "**Retention Securities**");

(b) agree not to sell, transfer, hedge or otherwise mitigate its credit risk (including in connection with the entry into any financing arrangements) under or associated with the Retention Securities (or the underlying portfolio of Collateral Obligations), where to do so would cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements;

(c) subject to any regulatory requirements, agree (i) to take such further action and enter into such other agreements in each case on or prior to the Issue Date as may reasonably be required to satisfy the Retention Requirements, (ii) to provide such information as may reasonably be required in order to satisfy the Retention Requirements solely as regards the provision of information in the possession of, or reasonably obtainable by, the Retention Holder and to the extent such information is not subject to any duties of confidentiality, law or regulation, and (iii) to provide to the Issuer, on a confidential basis, information in the possession of the Retention Holder relating to its holding of the Retention Securities, at the cost and expense of the party seeking such information, and to the extent the same is not subject to a duty of confidentiality, at any time prior to maturity of the Securities;

(d) agree to confirm, promptly upon the request of the Trustee, the Collateral Administrator or the Issuer, its continued compliance with the covenants set out at paragraphs (a) and (b) above (which may be by way of email);

(e) in any event, on a monthly basis on the Business Day prior to the date on which the Collateral Administrator compiles the Monthly Report or Payment Date Report, as applicable, confirm its continued compliance with the covenants set out at paragraphs (a) and (b) above to the Issuer, the Trustee and the Collateral Administrator, in each case in writing (which may be by way of email and which confirmations the Retention Holder acknowledges may be included by the Collateral Administrator in any Monthly Report or Payment Date Report, as applicable);

(f) agree that it shall promptly notify the Issuer, the Trustee and the Collateral Administrator if for any reason (i) it ceases to hold the Retention Securities in accordance with (a) above or (ii) it fails to comply with the covenants set out in (b) or (c) above in any material respect; and

(g) represent and warrant that:

(i) it is a CRR Investment Firm;

(ii) it is authorised to, and does, carry on a business of providing investment management services and activities listed in paragraph (7) of Section A of Annex 1 of Directive 2004/39/EC (placing of financial instruments without a firm commitment basis); and

(iii) it is a "sponsor" for the purposes of Article 405 of the CRR and undertake that it will continue to retain the Retention Securities pursuant to paragraph (a) above in such capacity.

If a successor Collateral Manager is appointed as described in "*Description of the Collateral Management Agreement*" below or the Collateral Manager is to assign, delegate or transfer any rights or obligations to another Person pursuant to the Collateral Management Agreement (as described in "*Description of the Collateral Management Agreement*" below), then the Collateral Manager, in its capacity as Retention Holder may transfer the Retention Securities (at a price agreed between the parties to such sale) provided that such transfer would not cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements.

The Issuer, the Trustee, the Collateral Administrator and the Initial Purchaser are each parties to the Risk Retention Letter solely for the purposes of obtaining the benefit of the representations, warranties, covenants and undertakings contained therein and under no circumstances shall any of them be deemed to have undertaken any obligations thereunder or by virtue of their entry into the Risk Retention Letter.

On the Issue Date, the Retention Holder intends to obtain financing for the acquisition of the Retention Securities from an Affiliate of the Initial Purchaser. It is expected that any such financing would be secured over the Retention Securities and be provided to the Retention Holder on a full recourse basis, supported by a (full recourse) guarantee from the parent company of the Retention Holder. The term of any such financing is expected to be considerably shorter than the term of the transaction described in this Offering Circular. See "*Risk Factors – Regulatory Initiatives – Retention Financing*".

Each prospective investor in the Securities is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with the Retention Requirements or any other regulatory

requirement. None of the Issuer, the Collateral Manager, the Initial Purchaser, the Collateral Administrator, the Trustee, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such Person shall have any liability to any prospective investor or any other Person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the Retention Requirements or any other applicable legal, regulatory or other requirements.

Prospective investors should consider the discussion in "*Risk Factors – Relating to the Securities – Risk retention*" 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.

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 Obligations

The Collateral Manager will determine and will use reasonable endeavours to cause to be acquired by the Issuer a portfolio of Secured Senior Loans, Secured Senior Bonds, Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds during the Initial Investment Period (including, but not limited to, Collateral Obligations purchased pursuant to the Warehouse Arrangements), the Reinvestment Period and thereafter. The Issuer anticipates that, by the Issue Date, it will have purchased or committed to purchase Collateral Obligations, the Aggregate Principal Balance of which is approximately 93.8 per cent. of the Target Par Amount (as defined in the Conditions). The proceeds of issue of the Securities remaining after payment of: (a) the acquisition costs for the Collateral Obligations acquired by the Issuer on or prior to the Issue Date, including repayment of the Warehouse Arrangements; and (b) certain fees, costs and expenses incurred in connection with the issue of the Securities and anticipated to be payable by the Issuer following completion of the issue of the Securities will be deposited in the Expense Reserve Account, the First Period Reserve Account and the Unused Proceeds Account on the Issue Date. The Collateral Manager acting on behalf of the Issuer, shall use all commercially reasonable efforts to purchase Collateral Obligations with an Aggregate Principal Balance (together with Collateral Obligations previously acquired) equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period.

The Issuer does not expect and is not required to satisfy the Collateral Quality Tests, Portfolio Profile Tests, the Coverage Tests or the Reinvestment Overcollateralisation Test 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 14 July 2016, subject to the Effective Date Determination Requirements being satisfied.

On or after the Effective Date, the Initial Ratings of the Rated Notes having been confirmed (or deemed to have been confirmed in the case of such ratings by Moody's) by each Rating Agency, the Balance standing to the credit of the Unused Proceeds Account will be transferred to the Principal Account and/or the Interest Account, in each case, at the discretion of the Collateral Manager (acting on behalf of the Issuer), provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Obligations, the Aggregate Principal Balance of which equals or exceeds the Target Par Amount (provided that, for the purposes of determining such Aggregate Principal Balance, any repayments or prepayments of Collateral Obligations subsequent to the Issue Date, to the extent not reinvested in Collateral Obligations, may be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation shall be the lower of its Fitch Collateral Value and its Moody's Collateral Value); and (ii) no more than 1.0 per cent. of the Collateral Principal Amount as of the Issue Date may be transferred to the Interest Account.

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 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, each Hedge Counterparty and the Rating Agencies (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of Collateral Obligations subsequent to the Issue Date may be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its Fitch Collateral Value and its Moody's Collateral Value) and the Issuer will provide, or cause the Collateral Manager to provide to the Trustee and the Collateral Administrator, an accountants' certificate confirming the Aggregate Principal Balance of all Collateral Obligations purchased or committed to be purchased as at such date and the computations and results of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test by reference to such Collateral Obligations.

The Collateral Manager (acting on behalf of the Issuer) shall promptly, following receipt of the Effective Date Report, request that each of the Rating Agencies (to the extent not previously received) confirm its Initial Ratings of the Rated Notes, provided that if the Effective Date Moody's Condition is satisfied then such rating confirmation shall be deemed to have been received from Moody's. If the Effective Date Moody's Condition is not satisfied within 25 Business Days following the Effective Date the Collateral Manager shall promptly notify Moody's. If either:

(a) **(i)** the Effective Date Determination Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure; and

(ii) either (x) the Collateral Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to the Rating Agencies or (y) Rating Agency Confirmation is not received in respect of such Rating Confirmation Plan following request therefor from the Collateral Manager; or

(b) the Effective Date Moody's Condition has not been satisfied and following a request therefor from the Collateral Manager after the Effective Date, Rating Agency Confirmation from Moody's has not been received,

an Effective Date Rating Event shall have occurred. If an Effective Date Rating Event has occurred and is continuing on the Business Day prior to the Payment Date next following the Effective Date, the Rated Notes shall be redeemed, pursuant to Condition 7(e) (*Redemption upon Effective Date Rating Event*) on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payment, until the earlier of (x) the date on which the Effective Date Rating Event is no longer continuing and (y) the date on which the Rated Notes have been redeemed in full.

The Collateral Manager shall notify the Rating Agencies upon the discontinuance of an Effective Date Rating Event.

During such time as an Effective Date Rating Event shall have occurred and be continuing the Collateral Manager (acting on behalf of the Issuer) may prepare and present to the Rating Agencies a Rating Confirmation Plan setting forth the timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which 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

Each Collateral Obligation must, at the time of entering into a binding commitment to acquire such obligation by, or on behalf of, the Issuer, satisfy the following criteria (the "**Eligibility Criteria**") as determined by the Collateral Manager in its reasonable discretion:

(a) it is a Secured Senior Loan, a Secured Senior Bond, a Corporate Rescue Loan, an Unsecured Senior Loan, a Mezzanine Obligation, a Second Lien Loan, or a High Yield Bond;

(b) it is either (i) denominated in Euros and is not convertible into or payable in any other currency or (ii) denominated in a Qualifying Currency other than Euro and is not convertible into or payable in any other currency and the Issuer, with effect from the date of acquisition thereof and subject to satisfaction of the Hedging Condition, enters into a Currency Hedge Transaction with a notional amount in the relevant currency (and with the applicable index and stated interest spread or fixed coupon as applicable, being stated in such Currency Hedge Transaction) equal to the aggregate principal amount of such Non-Euro Obligation and otherwise complies with the requirements set out in respect of Non-Euro Obligations in the Collateral Management Agreement;

(c) it is not a Defaulted Obligation, a Credit Risk Obligation or Equity Security, including any obligation convertible into an Equity Security (other than at the Issuer's option);

(d) it is not a lease (including, for the avoidance of doubt, a financial lease);

(e) it is not a Structured Finance Security, pre-funded letter of credit or a Synthetic Security;

(f) it provides for a fixed amount of principal payable in cash on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;

(g) it is not a Zero Coupon Security, Step-Up Coupon Security or Step-Down Coupon Security;

(h) it does not constitute "margin stock" (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);

(i) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments to the Issuer will not be subject to direct tax on the basis of the situs of the obligation or the source of payments under it or to withholding tax imposed by any jurisdiction (other than withholding taxes in respect of commitment fees, letter of credit fees or similar fees) unless (i) the Obligor is required to make "gross-up" or indemnity payments to the Issuer that cover the full amount of any such withholding on an after-tax basis or (ii) such withholding can be eliminated by an applicable double tax treaty or otherwise;

(j) it has a Fitch Rating of not lower than "CCC" and a Moody's Rating of not lower than "Caa3";

(k) it is not a debt obligation whose repayment is subject to substantial non-credit related risk, including catastrophe bonds or instruments whose repayment is conditional on the non-occurrence of certain catastrophes or similar events;

(l) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those: (i) which may arise at its option; (ii) which are fully collateralised; (iii) which are subject to limited recourse provisions

similar to those set out in the Trust Deed; (iv) which are owed to the agent bank in relation to the performance of its duties under a Collateral Obligation; (v) which may arise as a result of an undertaking to participate in a financial restructuring of a Collateral Obligation where such undertaking is contingent upon the redemption in full of such Collateral Obligation on or before the time by which the Issuer is obliged to enter into the restructured Collateral Obligation and where the restructured Collateral Obligation satisfies the Eligibility Criteria and for the avoidance of doubt, the Issuer is not liable to pay any amounts in respect of a restructured Collateral Obligation; or (vi) which are Delayed Drawdown Collateral Obligations or Revolving Obligations, provided that, in respect of paragraph (v) only, that the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer following such restructuring shall not exceed the redemption amounts from such restructured Secured Senior Loan, Second Lien Loan or similar obligation;

(m) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;

(n) it is not a debt obligation that pays scheduled interest less frequently than annually (other than, for the avoidance of doubt, PIK Securities);

(o) it is not 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) the Collateral Obligation Stated Maturity thereof falls prior to the Maturity Date of the Rated Notes;

(q) its acquisition by the Issuer will not result in the imposition of stamp duty or stamp duty reserve tax payable by the Issuer or by any other person who has the right to be reimbursed by the Issuer (whether under contract, statute or otherwise), unless such stamp duty or stamp duty reserve tax has been included in the purchase price of such Collateral Obligation;

(r) upon acquisition, both (i) the Collateral Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest in favour of the Trustee for the benefit of the Secured Parties and (ii) (subject to (i) above) the Issuer (or the Collateral Manager on behalf of the Issuer) has notified the Trustee in the event that any Collateral Obligation that is a bond is held through the Custodian but not held through Euroclear or Clearstream, Luxembourg or does not satisfy any requirements relating to collateral held in Euroclear or Clearstream, Luxembourg (as applicable) specified in the Trust Deed and has taken such action as the Trustee may require to effect such security interest;

(s) it is not an obligation of a borrower who or which is resident in or incorporated under the laws of The Netherlands and who or which acts in the capacity of a consumer under Dutch law;

(t) it is not a Dutch Ineligible Security;

(u) 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);

(v) it has not been called for, and is not subject to a pending, redemption;

(w) it is capable of being sold, assigned or participated to, and held by, the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions or of any legal or regulatory requirements or the imposition of

income taxes on the Issuer outside of The Netherlands and the Issuer does not require any authorisations, consents, approvals or filings (other than such as have been obtained or effected) as a result of or in connection with any such sale, assignment, participation or holding under any applicable law;

(x) it is not an obligation in respect of which interest payments are scheduled to decrease (although, other than with respect to Step-Down Coupon Securities, interest payments may decrease due to unscheduled events such as a decrease of the index relating to a Floating Rate Collateral Obligation, the change from a default rate of interest to a non default rate or an improvement in the Obligor's financial condition);

(y) it is not an obligation whose acquisition by the Issuer will cause the Issuer to be deemed to have participated in a primary loan origination in the United States;

(z) it is not a Project Finance Loan;

(aa) it is not an obligation of an Obligor who is a Portfolio Company;

(bb) it is in registered form for U.S. federal income tax purposes, unless it is not a "registration-required obligation" as defined in Section 163(f) of the U.S. Internal Revenue Code;

(cc) it is not a loan originated by the Collateral Manager, provided that (i) loans that are syndicated to an initial lender group of greater than five and (ii) senior tranches of loans not originated by the Collateral Manager where mezzanine tranches of the senior loans were originated by the Collateral Manager, shall in either case not be counted as originated by the Collateral Manager; and

(dd) it is an obligation of an Obligor which has total current indebtedness (comprised 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 at least Euro 100,000,000 (or its equivalent in any currency).

Other than (i) Issue Date Collateral Obligations which must satisfy the Eligibility Criteria on the Issue Date and (ii) Restructured Obligations which must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date, the subsequent failure of any Collateral Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation so long as such obligation satisfied the Eligibility Criteria, when the Issuer or the Collateral Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation.

"**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.

"**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.

"**Structured Finance Security**" means any debt security which is secured directly, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"**Synthetic Security**" means a security or swap transaction (other than a letter of credit or a Participation) that has payments of interest or principal on a reference obligation or the credit performance of a reference obligation.

"**Step-Down Coupon Security**" means an obligation or security which by the terms of the related Underlying Instruments provides for a decrease in the per annum interest rate on such obligation or security (other than by reason of any change in the applicable index or benchmark rate used to determine such interest rate) or in the spread over the applicable index or benchmark rate, solely as a function of the passage of time; *provided* that an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Down Coupon Security.

"**Step-Up Coupon Security**" means an obligation or security which by the terms of the related underlying instruments provides for an increase in the per annum interest rate on such obligation or security, or in the spread over the applicable index or benchmark rate, solely as a function of the passage of time; *provided* that an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Up Coupon Security.

"**Zero Coupon Security**" means a security (other than a Step-Up Coupon Security or a Step-Down Coupon Security) that, at the time of issuance, does not provide for periodic payments of interest.

Restructured Obligations

In the event a Collateral Obligation becomes (as determined by the Issuer, assisted by the Collateral Manager) the subject of a restructuring whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an amendment of its maturity date) or by way of substitution of new obligations and/or change of Obligor, such obligation shall only constitute a Restructured Obligation if such obligation satisfies the following criteria (the "**Restructured Obligation Criteria**") on the related Restructuring Date as determined by the Collateral Manager in its reasonable discretion:

(a) it has a Fitch Rating;

(b) it satisfies the criteria comprising the Eligibility Criteria other than the criteria set out at paragraphs (c), (j), (p), (v) and (x); and

(c) if the Collateral Obligation Stated Maturity thereof falls after the Maturity Date of the Rated Notes, it is redeemable or callable by the lender thereunder at par.

If any Principal Proceeds are to be applied in effecting a restructuring of a Collateral Obligation, the Reinvestment Criteria are required to be satisfied as if such application was a reinvestment into such Collateral 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 Obligations and Exchanged Equity Securities and to reinvest the Sale Proceeds (other than accrued interest on such Collateral Obligations included in Interest Proceeds by the Collateral Manager) thereof in Substitute Collateral Obligations. The Collateral Manager shall notify the Collateral Administrator of all necessary details of the Collateral Obligation or Exchanged Equity Security to be sold and the proposed Substitute Collateral 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 in connection with any such sale or reinvestment are satisfied, maintained or improved or, if any such criteria are not satisfied, maintained or improved, shall notify the Issuer and the Collateral Manager of the reasons and the extent to which such criteria are not so satisfied, maintained or improved.

The Collateral Manager will determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Obligations (including all Substitute Collateral Obligations) taking into account the Eligibility Criteria and the other requirements set out in the Collateral Management Agreement and will monitor the performance of the Collateral Obligations on an ongoing basis to the extent practicable using sources of information reasonably available to it and provided that the Collateral Manager shall not be responsible for determining whether or not the terms of any individual Collateral Obligation have been observed.

The activities referred to below that the Collateral Manager may undertake on behalf of the Issuer are subject to the Issuer's monitoring of the performance of the Collateral Manager under the Collateral Management Agreement.

Sale of Issue Date Collateral Obligations

The Collateral Manager, acting on behalf of the Issuer shall sell any Issue Date Collateral Obligations which do not comply with the Eligibility Criteria on the Issue Date (each a "**Non-Eligible Issue Date Collateral Obligation**").

Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Obligations satisfying the Eligibility Criteria or credited to the Principal Account pending such reinvestment.

Terms and Conditions applicable to the Sale of Credit Risk Obligations, Credit Improved Obligations, Defaulted Obligations and Equity Securities.

Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Collateral Manager (acting on behalf of the Issuer) subject to (a) to the Collateral Manager's knowledge, no Note Event of Default has occurred which is continuing, provided, however any sale may nonetheless occur if the consent of the Controlling Class acting by Ordinary Resolution has been obtained, and (b) the Collateral Manager certifying to the Trustee and the Collateral Administrator that it believes, in its reasonable business judgment, that such security constitutes a Credit Risk Obligation, a Credit Improved Obligation or a Defaulted Obligation as the case may be.

The Collateral Manager shall use commercially reasonable efforts to effect the sale of any Equity Securities in the Portfolio, regardless of the price received for such Equity Securities, within three years of such Equity Securities entering the Portfolio.

Terms and Conditions applicable to the Sale of Exchanged Equity Securities

Any Exchanged Equity 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 has occurred which is continuing, provided, however any sale may nonetheless occur if the consent of the Controlling Class acting by Ordinary Resolution has been obtained.

In addition to any discretionary sale of Exchanged Equity Securities as provided above, the Collateral Manager shall be required by the Issuer to use its commercially reasonable efforts to sell (on behalf of the Issuer) any Exchanged Equity Security which constitutes Margin Stock, as soon as practicable upon its receipt or upon its becoming Margin Stock (as applicable), unless such sale is prohibited by applicable law, in which case such Exchanged Equity Security shall be sold as soon as such sale is permitted by applicable law.

Discretionary Sales

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may dispose of any Collateral Obligation (other than a Credit Improved Obligation, a Credit Risk Obligation, a Defaulted Obligation, an Equity Security or an Exchanged Equity Security, each of which may only be sold in the circumstances provided above) at any time (other than during a Restricted Trading Period) provided:

(a) no Note Event of Default having occurred which is continuing;

(b) after giving effect to such sale, the Aggregate Principal Balance of all Collateral Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Issue Date) is not greater than 25.0 per cent. of the Collateral Principal Amount as of the first day of such 12 calendar month period (or as of the Issue Date, as the case may be); and

(c) either:

(i) during the Reinvestment Period, the Collateral Manager reasonably believes prior to such sale that it will be able to enter one or more binding commitments to reinvest all or a portion of the proceeds of such sale in one or more additional Collateral Obligations with an Aggregate Principal Balance at least equal to the Investment Criteria Adjusted Balance of such sold Collateral Obligation 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 Obligation; or (2) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the Sale Proceeds of such sale) plus, without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Account) (including Eligible Investments therein) will be greater than or equal to the Reinvestment Target Par Balance (as defined below).

"**Investment Criteria Adjusted Balance**" means with respect to a Collateral Obligation, the Principal Balance of such Collateral Obligation, provided that the Investment Criteria Adjusted Balance of:

(a) a Deferring Security shall be the lesser of:

(i) its Fitch Collateral Value; and

(ii) its Moody's Collateral Value;

(b) a Discount Obligation shall be the product of such obligation's:

(i) purchase price (expressed as a percentage of par); and

(ii) Principal Balance; and

(c) a Collateral Obligation which has been included in the calculation of the CCC/Caa Excess shall be the product of its Market Value and its Principal Balance,

provided that if a Collateral Obligation satisfies two or more of (a) through (c) above, the Investment Criteria Adjusted Balance of such Collateral Obligation shall be calculated using the category which results in the lowest value.

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; (ii) receipt of notification from the Trustee of enforcement of the security over the Collateral; or (iii) the purchase of Securities of any Class by the Issuer, 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 (*Redemption and Purchase*) and clause 5 (*Realisation of Collateral*) of the Collateral Management Agreement but without regard to the limitations set out in clause 4 (*Sale and Reinvestment of Portfolio Assets*) and Schedule 4 (*Reinvestment Criteria*) of the Collateral Management Agreement (which will include any limitations or restrictions set out in the Conditions and the Trust Deed).

Sale of Assets which do not Constitute Collateral Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Collateral Management Agreement, the Collateral Manager shall use commercially reasonable efforts to sell such asset. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Reinvestment of Collateral Obligations

"**Reinvestment Criteria**" means, during the Reinvestment Period, the criteria set out under "*During the Reinvestment Period*" below and following the expiry of the Reinvestment Period, the criteria set out below under "*Following the Expiry of the Reinvestment Period*". The Reinvestment Criteria except satisfaction of the Eligibility Criteria shall not apply prior to the Effective Date or in the case of a Collateral Obligation which has been restructured where such restructuring has become binding on the holders thereof.

During the Reinvestment Period

During the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) may, at its discretion, reinvest any Principal Proceeds in the purchase of Substitute Collateral Obligations satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Collateral Obligation and taking into account existing commitments, the criteria set out below must be satisfied:

(a) to the Collateral Manager's knowledge, no Note Event of Default has occurred which is continuing, provided, however any such reinvestment may nonetheless occur if (i) in the opinion of the Trustee, it is not materially prejudicial to the interests of the Holders of any Class or (ii) 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 second Payment Date) the Coverage Tests (other than the Class F 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) as calculated immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Obligation(s) the Principal Proceeds of which are being reinvested, any Coverage Test (other than the Class F 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 Obligation(s);

(c) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds of a Credit Risk Obligation or a Defaulted Obligation either:

(i) the Investment Criteria Adjusted Balance of all Substitute Collateral Obligations purchased with such Sale Proceeds shall at least equal such Sale Proceeds; or

(ii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligation and, for which purpose, the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and its Market Value); and (B) amounts standing to the credit of the Principal Account and 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) (including any Eligible Investments (save for interest accrued on Eligible Investments)) is greater than or equal to the Reinvestment Target Par Balance;

(d) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds of a Credit Improved Obligation either:

(i) the Aggregate Principal Balance of the Collateral Obligations shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance immediately prior to the sale of the relevant Credit Improved Obligation; or

(ii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligation and, for which purpose, the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and its Market Value); and (B) amounts standing to the credit of the Principal Account and 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) (including any Eligible Investments (save for interest accrued on Eligible Investments)) is greater than or equal to the Reinvestment Target Par Balance;

(e) either: (A) each of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied; or (B) if any of the Portfolio Profile Tests or Collateral Quality Tests are not

satisfied such tests will be maintained or improved after giving effect to such reinvestment than they were immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Obligation(s);

(f) the date on which the Issuer (or the Collateral Manager acting on behalf of the Issuer) enters into a binding commitment to purchase such Substitute Collateral Obligation occurs during the Reinvestment Period; and

(g) with respect to the reinvestment of Sale Proceeds (other than Sale Proceeds from Credit Improved Obligations, Credit Risk Obligations, Defaulted Obligations and Exchanged Equity Securities) either:

(i) the Aggregate Principal Balance of all Collateral Obligations shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance immediately prior to the sale that generates such Sale Proceeds; or

(ii) after giving effect to such sale, the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Substitute Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligations and, for which purpose, the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and its Market Value); and (B) amounts standing to the credit of the Principal Account and 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) (including any Eligible Investments (save for interest accrued on Eligible Investments)) is greater than the Reinvestment Target Par Balance,

provided that, for the avoidance of doubt, with respect to any Collateral Obligations for which the trade date has occurred during the Reinvestment Period but which settle after such date, the purchase of such Collateral Obligations shall be treated as a purchase made during the Reinvestment Period for purposes of the Trust Deed.

"**Reinvestment Target Par Balance**" means, as of any date of determination, the Target Par Amount minus: (i) the amount of any reduction in the Principal Amount Outstanding of the Securities and plus (ii) the Principal Amount Outstanding of any additional Securities issued pursuant to Condition 17 (*Additional Issuances*), or, if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Securities.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations and Unscheduled Principal Proceeds, only, may be reinvested by the Collateral Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Obligations satisfying the Eligibility Criteria, in each case provided that:

(a) the Aggregate Principal Balance of Substitute Collateral Obligations equals or exceeds (i) the Aggregate Principal Balance of the related Collateral Obligations that produced such Unscheduled Principal Proceeds or (ii) the amount of Sale Proceeds of such Credit Risk Obligation, as the case may be;

(b) the Weighted Average Life Test is satisfied immediately after giving effect to such reinvestment;

(c) the Weighted Average Life Test was satisfied on the last Business Day of the Reinvestment Period;

(d) the Moody's Maximum Weighted Average Rating Factor Test is satisfied after giving effect to such reinvestment;

(e) all Par Value Tests are satisfied before and after giving effect to such reinvestment;

(f) each Interest Coverage Test is satisfied immediately prior to and after giving effect to such reinvestment;

(g) a Restricted Trading Period is not currently in effect;

(h) either: (I) the Portfolio Profile Tests and the Collateral Quality Tests (except the Weighted Average Life Test, the Fitch Weighted Average Rating Factor Test and the Moody's Maximum Weighted Average Rating Factor Test) are satisfied; 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 maintained or improved after giving effect to such reinvestment;

(i) to the Collateral Manager's knowledge, no Note Event of Default has occurred which is continuing, provided, however any such reinvestment may nonetheless occur if (i) in the opinion of the Trustee, it is not materially prejudicial to the interests of the Holders of any Class or (ii) the consent of the Controlling Class acting by Ordinary Resolution has been obtained;

(j) the Collateral Obligation Stated Maturity of each Substitute Collateral Obligation is the same as or earlier than the Collateral Obligation Stated Maturity of the Collateral Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds;

(k) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations (provided that in determining the Collateral Principal Amount, each Defaulted Obligation shall be deemed to have a Principal Balance equal to zero);

(l) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations (provided that in determining the Collateral Principal Amount, each Defaulted Obligation shall be deemed to have a Principal Balance equal to zero);

(m) if the Class A Notes are Outstanding, the rating of the Class A Notes has not been withdrawn (and has not been reinstated) and is not more than one sub category below its rating on the Issue Date;

(n) if the Class B Notes or the Class C Notes (as applicable) are Outstanding, the rating of the Class B Notes or the Class C Notes has not been withdrawn (and has not been reinstated) and is not more than two sub categories below its rating on the Issue Date; and

(o) the Fitch Weighted Average Rating Factor Test is satisfied immediately after giving effect to such reinvestment.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments on the following Payment Date (subject as provided at the end of this paragraph), save that the Collateral Manager (acting on behalf of the Issuer) may in its

discretion procure that Unscheduled Principal Proceeds and Sale Proceeds from the sale of any Credit Risk Obligations and Credit Improved Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Proceeds Priority of Payments for so long as they remain so designated for reinvestment but for no longer than the later of (A) 30 Business Days following their receipt by the Issuer and (B) the end of the following Due Period; provided that, any such Principal Proceeds standing to the balance of the Principal Account which have been applied towards the purchase of Substitute Collateral Obligations, and with respect to which purchases the trade date has occurred within the specified time limit above but the settlement date has not yet occurred within such specified time limit, shall not be disbursed in accordance with the Principal Proceeds Priority of Payments; provided further that, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Determination 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 Securities in accordance with the Priorities of Payment.

Unsaleable Assets

Notwithstanding the other requirements set forth herein and in the Trust Deed, on any Business Day after the Reinvestment Period, the Collateral Manager, in its sole discretion, may conduct an auction on behalf of the Issuer of Unsaleable Assets in accordance with the procedures described in this paragraph. Promptly after receipt of written notice from the Collateral Manager of such auction, the Trustee will provide notice (in such form as is prepared by the Collateral Manager) to the Holders of an auction, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures: (i) any Holder may submit a written bid within 10 Business Days after the date of such notice to purchase one or more Unsaleable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice); (ii) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice; (iii) if no Holder submits such a bid within the time period specified under clause (i) above, unless the Collateral Manager determines that delivery in kind is not legally or commercially practicable and provides written notice thereof to the Trustee, the Trustee will provide notice thereof to each Holder and offer to deliver (at such Holder's expense) a *pro rata* portion (as determined by the Collateral Manager) of each unsold Unsaleable Asset to the Holders or beneficial owners of the most senior Class that provide delivery instructions to the Trustee on or before the date specified in such notice, subject to minimum denominations; provided that, to the extent that minimum denominations do not permit a *pro rata* distribution, the Trustee will distribute the Unsaleable Assets on a *pro rata* basis to the extent possible and the Collateral Manager will select by lottery the Holder or beneficial owner to whom the remaining amount will be delivered and deliver written notice thereof to the Trustee; *provided, further*, that the Trustee will use commercially reasonable efforts to effect delivery of such interests; and (iv) if no such Holder or beneficial owner provides delivery instructions to the Trustee, the Trustee 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 Trustee 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.

"**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 Obligation or Eligible Investment identified in an officer's certificate of the Collateral Manager as having the product of its Principal Balance and Market Value less than Euro 1,000, in the case of each of (a) and (b) with respect to

which the Collateral Manager certifies to the Trustee that (x) it has made commercially reasonable efforts to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

Amendments to Collateral Obligation Stated Maturities of Collateral Obligations

The Issuer (or the Collateral Manager on the Issuer's behalf) may vote in favour of a Maturity Amendment only if, after giving effect to such Maturity Amendment: (a) the Collateral Obligation Stated Maturity of the Collateral Obligation that is the subject of such Maturity Amendment is not later than the Maturity Date of the Rated Notes; and (b) the Weighted Average Life Test is satisfied as determined by the Collateral Manager. If the Issuer or the Collateral Manager has not voted in favour of a Maturity Amendment which would contravene the requirements of this paragraph but by way of scheme of arrangement or otherwise, the Collateral Obligation Stated Maturity has been extended, the Issuer or the Collateral Manager acting on its behalf may but shall not be required to sell such Collateral Obligation provided that in any event the Collateral Manager shall dispose of such Collateral Obligation prior to the Maturity Date. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Expiry of the Reinvestment Criteria Certification

Immediately preceding the end of the Reinvestment Period, the Collateral Manager will deliver to the Trustee and the Collateral Administrator a schedule of Collateral Obligations purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available (including for this purpose, cash on deposit in the Principal Account, any scheduled distributions of Principal Proceeds, as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Obligations.

Reinvestment Overcollateralisation Test

During the Reinvestment Period only, if the Class F Par Value Ratio is less than 104.63 per cent. on the relevant Measurement Date, Interest Proceeds shall be paid to the Principal Account in accordance with the Priorities of Payment, for the acquisition of additional Collateral Obligations in an amount equal to the Required Diversion Amount.

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 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 Payment.

The Collateral Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Collateral Obligation which represents accrued interest be designated as Interest Proceeds and paid into the Interest Account save for: (i) Purchased Accrued Interest; (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; 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 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 Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of acquisition thereof with Principal Proceeds and/or principal amounts from the Unused Proceeds Account shall constitute "**Purchased Accrued Interest**" and shall be deposited into the Principal Account as Principal Proceeds.

Block Trades

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Collateral Obligations on any day in the event that such Collateral Obligations satisfy such requirements in aggregate rather than on an individual basis.

For the purpose of calculating compliance with the Reinvestment Criteria at the election of the Collateral Manager in its sole discretion, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Collateral Manager as such at the time (the "**Initial Trading Plan Calculation Date**") when compliance with the Reinvestment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the ten Business Days following the date of determination of such compliance (such period, the "**Trading Plan Period**"); provided that: (i) no Trading Plan may result in the purchase of Collateral Obligations having an Aggregate Principal Balance that exceeds 5.0 per cent. of the Collateral Principal Amount as of the first day of the Trading Plan Period (for which purposes, the Principal Balance of each Defaulted Obligation will be the lower of its Moody's Collateral Value and its Fitch Collateral Value); (ii) no Trading Plan Period may include a Determination Date; (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; and (iv) if the Reinvestment Criteria are satisfied prospectively after giving effect to a Trading Plan, but are not satisfied upon the completion of the related Trading Plan, Rating Agency Confirmation from Moody's is obtained with respect to the effectiveness of additional Trading Plans (it being understood that Rating Agency Confirmation from Moody's 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 Obligation or Collateral Obligations purchased at separate times for purposes of determining whether any particular Collateral Obligation is a Discount Obligation. For the avoidance of doubt, compliance with the Reinvestment Criteria upon completion of a Trading Plan pursuant to (iv) above, shall be calculated with respect to those Collateral 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 each Counterparty Downgrade Collateral Account, Unfunded Revolver Reserve 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, from time to time, purchase Collateral Enhancement Obligations independently or as part of a unit with the Collateral Obligations being so purchased provided that such Collateral Enhancement Obligation may not constitute a Dutch Ineligible Security.

All funds required in respect of the purchase price of any Collateral Enhancement Obligations, and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the Balance standing to the credit of the Supplemental Reserve Account at the relevant time. Pursuant to Condition 3(j)(vi) (*Supplemental Reserve Account*), such Balance shall be comprised of all sums deposited therein from time to time which will comprise: (i) interest payable in respect of the Participating Term Certificates which the Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the Supplemental Reserve Account during the Reinvestment Period pursuant to the Priorities of Payment rather than being paid to the Participating Term Certificateholders, as a "Supplemental Reserve Amount" subject to the limits set out in the definition thereof; and (ii) the amount of any Reinvestment Amounts contributed by a Reinvesting Holder and deposited into the Supplemental Reserve Account during the Reinvestment Period in accordance with the Conditions and the Trust Deed.

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 Principal Account for allocation in accordance with the Principal Proceeds Priority of Payments.

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, Reinvestment Overcollateralisation Test or Collateral Quality Tests.

Exercise of Warrants and Options

The Collateral Manager acting on behalf of the Issuer, may, at any time exercise a warrant or option attached to a Collateral Obligation or comprised in a Collateral Enhancement Obligation and shall on behalf of the Issuer instruct the Account Bank to make any necessary payment pursuant to a duly completed form of instruction.

Margin Stock

The Collateral Management Agreement requires that the Collateral Manager, on behalf of the Issuer, shall use reasonable endeavours to sell any Collateral Obligation, Exchanged Equity Security or Collateral Enhancement Obligation which is or at any time becomes Margin Stock as soon as practicable following such event.

"**Margin Stock**" means margin stock as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into Margin Stock.

Revolving Obligations and Delayed Drawdown Collateral Obligations

The Collateral Manager acting on behalf of the Issuer, may acquire Collateral Obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations from time to time.

Such Revolving Obligations and Delayed Drawdown Collateral Obligations may only be acquired if they are capable of being drawn in a single currency only (being Euros) and are not payable in or convertible into another currency.

Each Revolving Obligation and Delayed Drawdown Collateral Obligation will, pursuant to its terms, require the Issuer to make one or more future advances or other extensions of credit (including extensions of credit made on an unfunded basis pursuant to which the Issuer may be

required to reimburse the provider of a guarantee or other ancillary facilities made available to the obligor thereof in the event of any default by the obligor thereof in respect of its reimbursement obligations in connection therewith). Such Revolving Obligations and Delayed Drawdown Collateral Obligations may or may not provide that they may be repaid and reborrowed from time to time by the Obligor thereunder. Upon acquisition of any Revolving Obligations and Delayed Drawdown Collateral Obligations, the Issuer shall deposit into the Unfunded Revolver Reserve Account amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations. To the extent required, the Issuer, or the Collateral Manager acting on its behalf, may direct that amounts standing to the credit of the Unfunded Revolver Reserve Account be deposited with a third party from time to time as collateral for any reimbursement or indemnification obligations owed by the Issuer to any other lender in connection with a Revolving Obligation or a Delayed Drawdown Collateral Obligation, as applicable and upon receipt of an Issuer Order (as defined in the Collateral Management 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 Obligations from Selling Institutions by way of Participation provided that at the time such Participation is taken:

(a) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with a single Selling Institution will not exceed the individual percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and

(b) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with Selling Institutions (or any guarantor thereof), each having the same credit rating (taking the lowest rating assigned thereto by any Rating Agency), will not exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating,

and for the purpose of determining the foregoing, account shall be taken of each sub participation from which the Issuer, directly or indirectly derives its interest in the relevant Collateral Obligation.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

(a) the LSTA Model Participation Agreement for par/near par trades (as published by the Loan Syndications and Trading Association Inc. from time to time);

(b) the LMA Funded Participation (Par) (as published by the Loan Market Association from time to time); or

(c) such other documentation provided such agreement contains limited recourse and non-petition language substantially the same as the Trust Deed.

Assignments

The Collateral Manager acting on behalf of the Issuer, may from time to time acquire Collateral Obligations from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired the Collateral Manager acting on behalf of the Issuer shall have complied, to the extent within their control, with any requirements relating to such Assignment set out in the relevant loan documentation for such Collateral Obligation (including, without limitation, with

respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

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

Bivariate Risk Table

The following is the bivariate risk table (the "**Bivariate Risk Table**") as referred to in "*Participations*" above. For the purposes of the limits specified in the Bivariate Risk Table, the individual third party credit exposure limit shall be determined by reference to the Aggregate Principal Balance of all Participations (excluding any Defaulted Obligations and Issue Date Participation Interests) entered into by the Issuer with the same counterparty (such amount in respect of such entity, the "**Third Party Exposure**") and the applicable percentage limits shall be determined by reference to the lower of the Moody's or Fitch ratings applicable to such counterparty and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Bivariate Risk Table

Long-Term Issuer Credit Rating of Selling Institution	**Individual Third Party Credit Exposure Limit***	**Aggregate Third Party Credit Exposure Limit***
Fitch		
AAA	5%	10%
AA+	5%	10%
AA	5%	10%
AA-	5%	10%
A+	5%	5%
A	5%	5%
A- or below	0%	0%
Moody's		
Aaa	5%	10%
Aa1	5%	10%
Aa2	5%	10%
Aa3	5%	10%
A1	5%	10%
A2 and P-1	5%	5%
A3 or below	0%	0%

* As a percentage of the Collateral Principal Amount (excluding any Defaulted Obligations) the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Portfolio Profile Tests and Collateral Quality Tests

Measurement of Tests

The Portfolio Profile Tests and the Collateral Quality Tests will be used as criteria for purchasing Collateral Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

Substitute Collateral Obligations in respect of which a binding commitment has been made by the Issuer (or the Collateral Manager acting on behalf of the Issuer) to purchase such Substitute Collateral Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased for the purposes of the Portfolio Profile Tests and the Collateral Quality Tests. See "*Reinvestment of Collateral Obligations*" above.

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests at any time shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation.

Collateral Obligations in respect of which a binding commitment has been made by the Issuer (or the Collateral Manager acting on behalf of the Issuer) to sell such Collateral Obligations but such sale has not yet been settled shall nonetheless be deemed to have been sold for the purposes of the Portfolio Profile Tests and the Collateral Quality Tests, see "*Reinvestment of Collateral Obligations*" above.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

(a) not less than 90.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior 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 (including Eligible Investments therein representing Principal Proceeds) and the Unused Proceeds Account (to the extent such amounts have not been designated for transfer to the Interest Account by the Collateral Manager in accordance with paragraph (4) of Condition 3(j)(iii) (*Unused Proceeds Account*)) (including Eligible Investments therein representing such amounts), in each case as at the relevant Measurement Date);

(b) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds;

(c) in the case of Collateral Obligations which are not Secured Senior Loans or Secured Senior Bonds, not more than 1.5 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor;

(d) in the case of Secured Senior Loans or Secured Senior Bonds, not more than 2.5 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor,

provided that the obligations of two such Obligors may each represent up to 3.0 per cent. of the Collateral Principal Amount subject to at least one of these two Obligors having a Fitch Rating of at least BB- or a Moody's Rating of at least Ba3 in each case at the time of purchase;

(e) not more than 3.0 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor;

(f) not more than 30.0 per cent. of the Collateral Principal Amount shall consist of Non-Euro Obligations (provided a corresponding Currency Hedge Transaction is entered into);

(g) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Participations (excluding Issue Date Participation Interests);

(h) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Current Pay Obligations;

(i) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Unfunded Amounts and Funded Amounts under Revolving Obligations or Delayed Drawdown Collateral Obligations;

(j) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations;

(k) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations;

(l) not more than 3.0 per cent. of the Collateral Principal Amount shall consist of Bridge Loans;

(m) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Corporate Rescue Loans, provided that not more than 1.5 per cent. shall consist of Corporate Rescue Loans from a single Obligor;

(n) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are PIK Securities;

(o) not more than 20.0 per cent. of the Collateral Principal Amount shall consist of Cov-Lite Loans;

(p) not more than 7.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Fixed Rate Collateral Obligations;

(q) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which pay interest less frequently than semi-annually;

(r) not more than 17.5 per cent. of the Collateral Principal Amount shall be obligations comprising any one Fitch industry classification provided that any three Fitch industry classifications may comprise up to 40.0 per cent. in aggregate of the Collateral Principal Amount;

(s) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations whose Moody's Rating is derived from an S&P rating;

(t) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in Non-Emerging Market Countries with a Moody's local currency

country risk ceiling of "A1" or below and no lower than "Baa3" by Moody's unless Rating Agency Confirmation from Moody's is obtained, provided that not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Obligors Domiciled in Non-Emerging Market Countries with a Moody's local currency risk ceiling between and including Baa1 and Baa3;

(u) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in Non-Emerging Market Countries with a Fitch country ceiling below "AAA" unless Rating Agency Confirmation from Fitch is obtained;

(v) not more than 20.0 per cent. of the Collateral Principal Amount shall consist of Collateral Obligations of the ten largest Obligors, such Obligors being determined by the proportion of the Aggregate Principal Balance of all Collateral Obligations their Principal Balances each represent at the relevant date of determination;

(w) not less than 70.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Loans (which term, for the purposes of this paragraph (w), 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 (including Eligible Investments therein representing Principal Proceeds) and the Unused Proceeds Account (to the extent such amounts have not been designated for transfer to the Interest Account by the Collateral Manager in accordance with paragraph (4) of Condition 3(j)(iii) (*Unused Proceeds Account*)) (including Eligible Investments therein representing such amounts), in each case as at the relevant Measurement Date); and

(x) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations from Obligors which each have total current indebtedness (comprised of all financial debt owing by the Obligor including the maximum available amount of total commitment under any revolving or delayed draw loans) under its respective loan agreements and other debt instruments (including the Underlying Instruments) of less than €175,000,000 (or its equivalent in any currency).

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

"**Cov-Lite Loan**" means a Collateral Obligation, as determined by the Collateral Manager in its reasonable commercial judgment, that is an interest in a loan, the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the borrower thereunder to comply with any maintenance covenant (regardless of whether compliance with one or more incurrence covenants is otherwise required by such Underlying Instruments), provided that, for all purposes, a loan described in (i) or (ii) above which either contains a cross-default with or a cross-acceleration provision to, or is pari passu with, another loan of the underlying obligor that requires the underlying obligor to comply with a maintenance covenant will be deemed not to be a Cov-Lite Loan (for the avoidance of doubt, for the purposes of this proviso, compliance with a maintenance covenant may be required only while such other loan is funded above a certain threshold).

The percentage requirements applicable to different types of Collateral Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Principal Balance of such type of Collateral Obligations, excluding Defaulted Obligations. 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.

Collateral Quality Tests

The Collateral Quality Tests will consist of each of the following:

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

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

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

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

(i) the Moody's Minimum Diversity Test;

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

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

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

(i) the Minimum Weighted Average Floating Spread Test; and

(ii) the Weighted Average Life Test,

each as defined in the Collateral Management Agreement.

Moody's Test Matrix

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Collateral Management Agreement (the "**Moody's Test Matrix**") shall be applicable for purposes of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Minimum Weighted Average Floating Spread Test. For any given case:

(a) the applicable column for performing the Moody's Minimum Diversity Test will be the column (or linear interpolation between two adjacent columns, as applicable) in which the elected case is set out;

(b) the applicable row and column for performing the Moody's Maximum Weighted Average Rating Factor Test will be the row and column (or linear interpolation between two adjacent rows and/or two adjacent columns, as applicable, in which the elected case is set out); and

(c) the applicable row for performing the Minimum Weighted Average Floating Spread Test will be the row (or linear interpolation between two adjacent rows, as applicable) in which the elected test is set out.

On the Effective Date, the Collateral Manager will be required to elect which case shall apply initially. Thereafter, on ten Business Days' notice to the Issuer, the Trustee, the Collateral Administrator and Moody's, the Collateral Manager may elect to have a different case apply, provided that the Moody's Minimum Diversity Test, the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Weighted Average Recovery Rate Test and the

Minimum Weighted Average Floating Spread Test applicable to the case to which the Collateral Manager desires to change are satisfied (and, in relation to the Minimum Weighted Average Floating Spread Test, taking into account the case that the Collateral Manager has elected to apply under the Fitch Tests Matrix) or, in the case of any tests that are not satisfied, are closer to being satisfied. In no event will the Collateral Manager be obliged to elect to have a different case apply.

Moody's Test Matrix

Minimum Weighted Average Spread Test	26	28	30	32	34	36	38	40	44	48
2.45%	1599	1617	1645	1655	1664	1682	1692	1700	1729	1748
2.70%	1852	1857	1880	1898	1908	1936	1936	1955	1973	1992
2.95%	2063	2100	2119	2138	2146	2165	2184	2193	2222	2241
3.20%	2253	2292	2330	2368	2396	2405	2423	2432	2461	2479
3.45%	2368	2425	2461	2498	2517	2560	2578	2605	2651	2689
3.70%	2453	2509	2556	2608	2644	2668	2706	2724	2762	2799
3.95%	2531	2583	2640	2686	2733	2766	2803	2827	2873	2911
4.20%	2606	2667	2723	2765	2812	2854	2882	2915	2979	3021
4.45%	2676	2746	2793	2840	2892	2924	2967	2999	3065	3112
4.70%	2758	2810	2866	2917	2960	3002	3039	3072	3133	3189
4.95%	2823	2889	2944	2992	3033	3081	3114	3156	3217	3260
5.20%	2891	2961	3008	3060	3107	3144	3186	3215	3280	3336

The Moody's Minimum Diversity Test

The "**Moody's Minimum Diversity Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Diversity Score equals or exceeds the number set forth in the column entitled "Minimum Diversity Score" in the Moody's Test Matrix based upon the applicable "row/column" combination chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)).

The "**Diversity Score**" is a single number that indicates collateral concentration and correlation in terms of both issuer and industry concentration and correlation. It is similar to a score that Moody's uses to measure concentration and correlation for the purposes of its ratings. A higher Diversity Score reflects a more diverse portfolio in terms of the issuer and industry concentration. The Diversity Score for the Collateral Obligations is calculated by summing each of the Industry Diversity Scores which are calculated as follows:

(a) an "**Average Principal Balance**" is calculated by summing the Obligor Principal Balances and dividing by the sum of the aggregate number of issuers and/or borrowers represented;

(b) a "**Obligor Principal Balance**" is calculated for each Obligor represented in the Collateral Obligations by summing the Principal Balances of all Collateral Obligations (excluding Defaulted Obligations) issued by such Obligor, provided that if a Collateral Obligation has been sold or is the subject of an optional redemption or Offer, and the Sale Proceeds or Unscheduled Principal Proceeds from such event have not yet been reinvested in Substitute Collateral Obligations or distributed to the Holders or the other creditors of the Issuer in accordance with the Priorities of Payment, the Obligor Principal Balance

shall be calculated as if such Collateral Obligation had not been sold or was not subject to such an optional redemption or Offer;

(c) an "**Equivalent Unit Score**" is calculated for each Obligor by taking the lesser of (i) one and (ii) the Obligor Principal Balance for such Obligor divided by the Average Principal Balance;

(d) an "**Aggregate Geographically Based Industry Equivalent Unit Score**" is then calculated for each Geographically Based Industry Group by summing the Equivalent Unit Scores for each Obligor in the same Geographically Based Industry Group; (or such other Equivalent Unit Scores as are published by Moody's from time to time);

(e) a "**Geographically Based Industry Group**" means:

(i) in respect of local industries, those Obligors which are classified under the same Moody's industry group in the Moody's industrial classification and which are incorporated or domiciled in the same region; or

(ii) in respect of global industries, those Obligors which are classified under the same Moody's industry group in the Moody's industrial classification,

provided that in respect of industry groups, global, local and regional classifications, such classifications as published by Moody's from time to time are used; and

(f) 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 Geographically Based Industry Equivalent Unit Score. If the Aggregate Geographically Based Industry Equivalent Unit Score falls between any two such scores shown in the Diversity Score Table, then the Industry Diversity Score is the lower of the two Diversity Scores in the Diversity Score Table.

For purposes of calculating the Diversity Scores any Obligors Affiliated with one another will be considered to be one Obligor.

Diversity Score Table

Aggregate Geographically Based Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Geographically Based Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Geographically Based Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Geographically Based 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

Aggregate Geographically Based Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Geographically Based Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Geographically Based Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Geographically Based Industry Equivalent Unit Score	Industry Diversity Score
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

The Moody's Maximum Weighted Average Rating Factor Test

The "**Moody's Maximum Weighted Average Rating Factor Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Adjusted Weighted Average Moody's Rating Factor of the Collateral Obligations as at such Measurement Date is equal to or less than the sum of (i) the number set forth in the Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), (acting on behalf of the Issuer) as at such Measurement Date plus (ii) the Moody's Weighted Average Recovery Adjustment, provided, however, that the sum of (i) and (ii) may not exceed 3,700.

The "**Moody's Weighted Average Rating Factor**" is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation, excluding Defaulted Obligations and Equity Securities, by its Moody's Rating Factor, dividing such sum by the Aggregate Principal Balances of all such Collateral Obligations, excluding Defaulted Obligations and Equity Securities, and rounding the result up to the nearest whole number.

The "**Moody's Rating Factor**" relating to any Collateral Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

The "**Moody's Weighted Average Recovery Adjustment**" means, as of any Measurement Date, the greater of:

(a) zero; and

(b) the product of:

(i) (A) the Weighted Average Moody's Recovery Rate as of such Measurement Date multiplied by 100 minus (B) 42.5; and

(ii)

(A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test:

(1) if the Weighted Average Floating Spread is greater than 4.50 per cent., 80;

(2) if the Weighted Average Floating Spread is less than or equal to 4.50 per cent. and greater than 3.30 per cent., 70;

(3) if the Weighted Average Floating Spread is less than or equal to 3.30 per cent. and greater than 2.50 per cent., 55; and

(4) if the Weighted Average Floating Spread is equal to or less than 2.50 per cent., 45; and

(B) with respect to the adjustment of the Minimum Weighted Average Floating Spread Test:

(1) if the Weighted Average Floating Spread is greater than 4.50 per cent., 0.15 per cent.;

(2) if the Weighted Average Floating Spread is less than or equal to 4.50 per cent. and greater than 3.75 per cent., 0.10 per cent.; and

(3) if the Weighted Average Floating Spread is less than or equal to 3.75 per cent. and greater than 2.50 per cent., 0.05 per cent .; and

(4) if the Weighted Average Floating Spread is equal to or less than 2.50 per cent., 0.15 per cent,

provided that:

(c) if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60.0 per cent., then such Weighted Average Moody's Recovery Rate shall equal 60.0 per cent. unless Rating Agency Confirmation is obtained; and

(d) the amount specified in clause (b)(i) above may only be allocated once on any Measurement Date and the Collateral Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(ii)(A) and the portion of such amount that shall be allocated to clause (b)(ii)(B) (it being understood that, absent an express designation by the Collateral Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

"**Adjusted Weighted Average Moody's Rating Factor**" means, as of any Measurement Date, a number equal to the Weighted Average Moody's Rating Factor determined in the following manner: each applicable rating on credit watch by Moody's that is (a) on review for upgrade will be treated as having been upgraded by one rating subcategory, (b) on review for 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.

The Moody's Minimum Weighted Average Recovery Rate Test

The "**Moody's Minimum Weighted Average Recovery Rate Test**" will be satisfied, as at any Measurement Date from (and including) the Effective Date, if the Weighted Average Moody's Recovery Rate is greater than or equal to 42.5 per cent.

The "**Weighted Average Moody's Recovery Rate**" means, as of any Measurement Date, the number, expressed as a percentage, obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation (excluding Defaulted Obligations) by its corresponding Moody's Recovery Rate and dividing such sum by the Aggregate Principal Balance of all such Collateral Obligations and rounding up to the nearest 0.1 per cent.

The "**Moody's Recovery Rate**" is, except as otherwise advised by Moody's, with respect to any Collateral Obligation, as of any Measurement Date, the recovery rate determined in accordance with the following, in the following order of priority:

(a) if the Collateral Obligation has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate;

(b) if the preceding clause does not apply to the Collateral Obligation, except with respect to Corporate Rescue Loans, the rate determined pursuant to the table below (or any replacement table provided by Moody's) based on the number of rating subcategories difference between the Collateral Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings

Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Moody's Secured Senior Loans	Moody's Senior Secured Floating Rate Notes and Second Lien Loans	Assets other than Moody's Secured Senior Loans and Moody's Senior Secured Floating Rate Notes and Second Lien Loans
+2 or more	60%	55%	45%
+1	50%	45%	35%
0	45%	35%	30%
-1	40%	25%	25%
-2	30%	15%	15%
-3 or less	20%	5%	5%

(c) if the Collateral Obligation is a Corporate Rescue Loan (other than a Corporate Rescue Loan which has been specifically assigned a recovery rate by Moody's), 50.0 per cent.

Fitch Tests Matrix

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Collateral Management Agreement (substantially in the form set out below) (the "**Fitch Tests Matrix**") shall be applicable for purposes of the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Floating Spread Test. For any given case:

(1) the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column (or linear interpolation between two adjacent columns, as applicable) in which the elected case is set out;

(2) the applicable row for performing the Minimum Weighted Average Floating Spread Test will be the row (or linear interpolation between two adjacent rows, as applicable) in which the elected case is set out; and

(3) the applicable column and row for performing the Fitch Minimum Weighted Average Recovery Rate Test will be the column and row (or linear interpolation between two adjacent columns and/or two adjacent rows, as applicable) in which the elected case is set out.

On the Effective Date, the Collateral Manager will be required to elect which case shall apply initially. Thereafter, on two Business Days' notice to the Issuer, the Collateral Administrator and Fitch, the Collateral Manager may elect to have a different case apply, provided that the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Floating Spread Test applicable to the case to which the Collateral Manager desires to change are satisfied or, in the case of any tests that are not satisfied, are closer to being satisfied. The Fitch Tests Matrix may be amended and/or supplemented and/or replaced by the Collateral Manager subject to Rating Agency Confirmation from Fitch.

Fitch Tests Matrix

Minimum Weighted Average Spread Test	30.25	31.25	32.25	33.25	34.25	35.25	36.25	37.25	38.25	39.25
2.45%	85.83%	86.77%	87.70%	88.62%	89.23%	89.58%	90.17%	90.75%	91.32%	91.88%
2.70%	81.35%	82.18%	82.97%	83.75%	84.42%	84.84%	85.36%	85.93%	86.75%	87.73%
2.95%	77.73%	78.86%	79.78%	81.02%	81.71%	82.45%	83.17%	83.60%	84.99%	86.13%
3.20%	75.26%	76.41%	77.54%	78.70%	79.58%	80.45%	80.91%	81.72%	82.91%	84.30%
3.45%	71.45%	72.42%	73.37%	74.32%	75.13%	76.04%	76.83%	80.24%	82.35%	83.59%
3.70%	66.51%	67.48%	68.63%	69.57%	70.18%	71.63%	73.87%	77.29%	79.99%	81.66%
3.95%	62.43%	63.41%	64.37%	65.31%	66.25%	69.00%	71.68%	74.88%	77.77%	79.99%
4.20%	59.26%	60.57%	61.88%	63.17%	64.45%	66.38%	69.32%	72.51%	75.53%	77.71%
4.45%	56.53%	58.71%	60.17%	61.51%	63.15%	64.77%	66.38%	70.17%	73.14%	75.49%
4.70%	54.56%	56.55%	58.32%	60.07%	61.32%	63.35%	64.77%	67.77%	70.94%	73.30%
4.95%	52.40%	54.49%	56.36%	58.23%	59.58%	61.72%	63.54%	66.10%	68.99%	71.37%
5.20%	50.39%	52.39%	54.39%	56.67%	58.34%	60.30%	62.24%	64.97%	67.09%	69.70%

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 Tests Matrix.

"**Fitch Weighted Average Rating Factor**" is the number determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Obligations and rounding the result down to the nearest two decimal places.

"**Fitch Rating Factor**" means, in respect of any Collateral Obligation, the number set forth in the table below opposite the Fitch Rating in respect of such Collateral Obligation. The following table provides certain probabilities of default relating to Fitch Rating Factors. The information is subject to change and any probabilities of default in respect of Fitch Rating Factors may not at any time necessarily reflect the below table.

Fitch Rating	Fitch Rating Factor
AAA	0.19
AA+	0.35
AA	0.64
AA-	0.86
A+	1.17
A	1.58
A-	2.25
BBB+	3.19
BBB	4.54

Fitch Rating	Fitch Rating Factor
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 Securities on any Measurement Date from (and including) the Effective Date, if the Fitch Weighted Average Recovery Rate is greater than or equal to the applicable level in the Fitch Tests Matrix.

"**Fitch Weighted Average Recovery Rate**" means, as of any Measurement Date, the rate (expressed as a percentage) determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Collateral Obligations and rounding up to the nearest 0.1 per cent.

"**Fitch Recovery Rate**" means, with respect to a Collateral Obligation, the recovery rate determined in accordance with paragraphs (a) to (c) below or (in any case) such other recovery rate as Fitch may notify the Collateral Manager from time to time:

(a) if such Collateral Obligation has a public Fitch recovery rating, or a recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager, the recovery rate corresponding to such recovery rating in the table below (unless a specific recovery rate (expressed as a percentage) is provided by Fitch):

Fitch recovery rating	Fitch recovery rate (%)
RR1	95
RR2	80
RR3	60
RR4	40
RR5	20
RR6	5

(b) if such Collateral Obligation has no public Fitch recovery rating, no recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager and has a public S&P recovery rating, the recovery rate corresponding to such recovery rating in the table below:

S&P recovery rating	Fitch recovery rate (%)
1+	95
1	95
2	80
3	60
4	40
5	20
6	5

(c) if such Collateral Obligation is a Corporate Rescue Loan and has neither a public Fitch recovery rating, nor a recovery rating assigned to it by Fitch in the context of provision by Fitch of a credit opinion, the Issuer or the Collateral Manager on behalf of the Issuer shall apply to Fitch for a Fitch recovery rating, *provided that* the Fitch recovery rating in respect of such Corporate Rescue Loan shall be considered to be "RR3" pending provision by Fitch of such Fitch recovery rating, and the recovery rate applicable to such Corporate Rescue Loan shall be the recovery rate corresponding to such Fitch recovery rating in the table above; and

(d) if such Collateral Obligation has no public Fitch recovery rating, no recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager, is not a Corporate Rescue Loan and has no public S&P recovery rating, (x) if such Collateral Obligation is a Secured Senior Bond, the recovery rate applicable to such Secured Senior Bond shall be the recovery rate corresponding to the Fitch recovery rating

of "RR3" in the table above and (y) otherwise, the recovery rate determined in accordance with the table below, where the Collateral Obligation shall be categorised as "Strong Recovery" if it is a Secured Senior Loan, "Moderate Recovery" if it is an Unsecured Senior Loan or High Yield Bond and otherwise "Weak Recovery", and shall fall into the country group corresponding to the country in which the Obligor thereof is Domiciled:

	US	**Group A**	**Group B**	**Group C**	**Group D**
Strong Recovery	80	75	55	45	35
Moderate Recovery	45	45	40	30	25
Weak Recovery	20	20	5	5	5

The country group of a Collateral Obligation shall be determined, by reference to the country where the Obligor thereof is Domiciled, in accordance with the below:

Group A: Australia, Austria, Bahamas, Bermuda, Canada, Cayman Islands, Denmark, Finland, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Japan, Jersey, Liechtenstein, Netherlands, New Zealand, Norway, Singapore, South Korea, Sweden, Switzerland, Taiwan and the UK.

Group B: Belgium, France, Italy, Luxembourg, Portugal, Spain.

Group C: Bulgaria, Costa Rica, Chile, Croatia, Czech Republic, Estonia, Hungary, Israel, Latvia, Lithuania, Malaysia, Malta, Mauritius, Mexico, Poland, Slovakia, Slovenia, South Africa, Thailand, Tunisia, Uruguay.

Group D: Albania, Argentina, Asia Others, Barbados, Bosnia and Herzegovina, Brazil, China, Colombia, Cyprus, Dominican Republic, Eastern Europe Others, Ecuador, Egypt, El Salvador, Greece, Guatemala, India, Indonesia, Iran, Jamaica, Kazakhstan, Liberia, Macedonia, Marshall Islands, Middle East and North Africa Others, Moldova, Morocco, Other Central America, Other South America, Other Sub-Saharan Africa, Pakistan, Panama, Peru, Philippines, Puerto Rico, Qatar, Romania, Russia, Saudi Arabia, Serbia and Montenegro, Turkey, Ukraine, Venezuela, Vietnam.

The Minimum Weighted Average Floating Spread Test

The "**Minimum Weighted Average Floating Spread Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date:

(a) the Weighted Average Floating Spread as at such Measurement Date; *plus*

(b) the Weighted Average Coupon Adjustment Percentage as at such Measurement Date,

equals or exceeds the Minimum Weighted Average Floating Spread as at such Measurement Date.

The "**Minimum Weighted Average Floating Spread**", as of any Measurement Date, will equal the greater of:

(a) the percentage set forth in the Fitch Tests Matrix based upon the option chosen by the Collateral Manager; and

(b) the percentage set forth in the Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)) as currently applicable to the Portfolio reduced by the Moody's Weighted Average Recovery Adjustment, provided such reduction may not reduce the Minimum Weighted Average Floating Spread below 2.45 per cent.

The "**Weighted Average Floating Spread**" as of any Measurement Date, is the number obtained by *dividing*:

(a) the amount equal to (A) the Aggregate Funded Spread plus (B) the Aggregate Unfunded Spread *plus* (C) the Aggregate Excess Funded Spread; *by*

(b) an amount equal to the sum of (i) the Aggregate Principal Balance of all Floating Rate Collateral Obligations as of such Measurement Date (excluding the Aggregate Principal Balance of all Floating Rate Collateral Obligations which are subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Obligation for a fixed rate) and (ii) the Aggregate Principal Balance of all Fixed Rate Collateral Obligations which are subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Obligation for a floating rate,

in each case, excluding Defaulted Obligations and, for any Collateral Obligation, any interest that has been deferred and capitalised thereon and, in each case, adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty.

The "**Aggregate Funded Spread**" is, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Collateral Obligation (including, for any Mezzanine Obligation, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Non-Euro Obligations, Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Obligation above EURIBOR *multiplied by* (ii) the outstanding principal balance of such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation); *provided* that for purposes of this definition, the interest rate spread will be deemed to be, with respect to any Floating Rate Collateral Obligation that has a EURIBOR floor, (i) the stated interest rate spread *plus*, (ii) if positive, (x) the EURIBOR floor value *minus* (y) EURIBOR as in effect for the current Accrual Period;

(b) in the case of each Floating Rate Collateral Obligation (including, for any Mezzanine Obligation, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Non-Euro Obligations, Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) that bears interest at a spread over an index other than EURIBOR-based index, (i) the excess of the sum of such spread and such index over EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) *multiplied by* (ii) the outstanding principal balance of each such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation);

(c) in the case of each Floating Rate Collateral Obligation which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation

and Revolving Obligation) and subject to a Currency Hedge Transaction, (i) the stated interest rate spread over EURIBOR payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction multiplied by (ii) the outstanding principal balance of such Non-Euro Obligation, converted into Euro at the applicable Currency Hedge Transaction Exchange Rate; and

(d) in the case of each Floating Rate Collateral Obligation which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) and not subject to a Currency Hedge Transaction, (i) the interest amount payable by the relevant Obligor converted to Euro at the Spot Rate multiplied by the applicable Unhedged Obligation Haircut, less (ii) the product of (x) EURIBOR and (y) the Principal Balance of such Non-Euro Obligation converted to Euro at the Spot Rate for this purpose,

provided that for such purpose:

(i) a Fixed Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Obligation for a floating rate shall be treated as a Floating Rate Collateral 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;

(ii) a Floating Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Obligation for a fixed rate shall be disregarded; and

(iii) the margin applicable to a Collateral Obligation shall be deemed to be (x) in respect of a Step-Down Coupon Security, the lowest margin that is permissible pursuant to and in accordance with the Underlying Instruments relating thereto and (y) in respect of a Step-Up Coupon Security, the margin applicable as at the relevant Measurement Date.

The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Obligation and Revolving Obligation (other than Defaulted Obligations), (a) the related commitment fee then in effect as of such date plus (b) the rate of interest applicable for the relevant amount deposited in the Unfunded Revolver Reserve Account (which for the avoidance of doubt can be negative) minus (c) the EURIBOR rate applicable for such Collateral Obligation (and in the case of an asset with no applicable EURIBOR index, 1 month EURIBOR) and (ii) the undrawn commitments of each such Delayed Drawdown Collateral 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) the EURIBOR applicable to the Rated Notes during the Accrual Period in which such Measurement Date occurs; *by*

(b) the amount (not less than zero) equal to:

(i) the aggregate outstanding principal balance of the Collateral Obligations (excluding (x) for any Mezzanine Obligation, any interest that has been deferred and capitalised thereon and (y) for the avoidance of doubt, the principal balance

of any Defaulted Obligation and (z) the principal balance of any Fixed Rate Collateral Obligation) as of such Measurement Date; minus

(ii) the Target Par Amount; *minus*

(iii) (iii) the aggregate amount of Principal Proceeds received from the issuance of additional notes pursuant to the Trust Deed; provided that the outstanding principal balance of:

(A) any Non-Euro Obligation subject to a Currency Hedge Transaction shall be an amount equal to the outstanding principal amount of the reference Non-Euro Obligation, converted into Euro at the Currency Hedge Transaction Exchange Rate; and

(B) any Non-Euro Obligation which is not subject to a Currency Hedge Transaction shall be an amount equal to the outstanding principal amount of the reference Non-Euro Obligation, converted into Euro at the Spot Rate multiplied by the applicable Unhedged Obligation Haircut.

The "**Weighted Average Coupon Adjustment Percentage**" means a percentage, equal as of any Measurement Date, to a number obtained by multiplying (a) the result of the Weighted Average Coupon minus the Reference Weighted Average Fixed Coupon, by (b) the number obtained by dividing the amount calculated in (b) of the definition of Weighted Average Coupon by the amount calculated in (b) of the definition of Weighted Average Floating Spread, and which product may, for the avoidance of doubt, be negative.

The "**Reference Weighted Average Fixed Coupon**" means, if any of the Collateral Obligations are Fixed Rate Collateral Obligations 6.0 per cent. and otherwise zero per cent.

The "**Weighted Average Coupon**" as of any Measurement Date, is the number obtained by *dividing*:

(a) the amount equal to the Aggregate Coupon; *by*

(b) an amount equal to (i) the Aggregate Principal Balance of all Fixed Rate Collateral Obligations as of such Measurement Date (excluding the Aggregate Principal Balance of all Fixed Rate Collateral Obligations which are subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Obligation for a floating rate), and (ii) the Aggregate Principal Balance of all Floating Rate Collateral Obligations which are subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Obligation for a fixed rate,

in each case, excluding, for any Mezzanine Obligation, any interest that has been deferred and capitalised thereon and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations and, in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty.

The "**Aggregate Coupon**" is, as of any Measurement Date, the sum of:

(a) with respect to any Fixed Rate Collateral Obligation which is a Non-Euro Obligation and subject to a Currency Hedge Transaction and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, the product of (x) stated coupon on such Non-Euro Obligation expressed as a percentage and (y) the outstanding principal balance of such Non-Euro Obligation, converted into Euro at the applicable Currency Hedge Transaction Exchange Rate;

(b) with respect to any Fixed Rate Collateral Obligation which is a Non-Euro Obligation which is not subject to a Currency Hedge Transaction and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, an amount equal to the product of (x) stated coupon on such Collateral Obligation expressed as a percentage, (y) the outstanding principal balance of such Non-Euro Obligation and (z) the applicable Unhedged Obligation Haircut, converted into Euro at the Spot Rate; and

(c) with respect to all other Fixed Rate Collateral Obligations and excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, the sum of the products obtained by *multiplying*, in the case of each Fixed Rate Collateral Obligation (including, for any Mezzanine Obligation, only the required, non-deferrable current cash pay interest required by the Underlying Instruments thereon), (x) the stated coupon on such Collateral Obligation expressed as a percentage and (y) the outstanding principal balance of such Collateral Obligation,

provided that for such purpose:

(i) a Floating Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the floating rate on such Collateral Obligation for a fixed rate shall be treated as a Fixed Rate Collateral 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;

(ii) a Fixed Rate Collateral Obligation which is subject to an Interest Rate Hedge Transaction which swaps the fixed rate on such Collateral Obligation for a floating rate shall be disregarded; and

(iii) the coupon applicable to a Collateral Obligation shall be deemed to be (x) in respect of a Step-Down Coupon Security, the lowest coupon that is permissible pursuant to and in accordance with the Underlying Instruments relating thereto and (y) in respect of a Step-Up Coupon Security, the coupon applicable as at the relevant Measurement Date.

The Weighted Average Life Test

The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than the number of years (rounded to the nearest one hundredth thereof) during the period from such Measurement Date to 14 January 2024.

"**Weighted Average Life**" is, as of any Measurement Date with respect to all Collateral Obligations other than Defaulted Obligations, the number of years following such date obtained by summing the products obtained by:

(a) multiplying (i) the Average Life at such time of each such Collateral Obligation by (ii) the Principal Balance of such Collateral Obligation,

and dividing such sum by;

(b) the Aggregate Principal Balance at such time of all Collateral Obligations other than Defaulted Obligations.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such Measurement Date to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective

amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation; *provided* that, if the aggregate outstanding principal balance of the Collateral Obligations (excluding any Defaulted Obligations) exceeds the Reinvestment Target Par Balance, the Collateral Obligations included in the calculation of this test shall be only those Collateral Obligations with an aggregate outstanding principal balance equal to the Reinvestment Target Par Balance (starting with Collateral Obligations with the shortest Average Lives).

Rating Definitions

Fitch Ratings Definitions

The "**Fitch Rating**" of any Collateral Obligation will be determined in accordance with the below (with the sub-paragraph earliest in the definition applying in the case where more than one subparagraph would apply):

(a) with respect to any Collateral 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 Obligation (the "**Fitch Issuer Default Rating**"), the Fitch Rating shall be such Fitch Issuer Default Rating;

(b) if the Obligor thereof has an outstanding long-term financial strength rating from Fitch (the "**Fitch LTSR**"), then the Fitch Rating shall be one notch lower than such Fitch LTSR;

(c) if, in respect of any other obligation of the Obligor or its Affiliates, there is a publicly available rating by Fitch, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;

(d) if in respect of the Collateral Obligation there is a Moody's CFR, a Moody's Long Term Issuer Rating or an S&P Issuer Credit Rating, then the Fitch Rating shall be the rating that corresponds to the lowest thereof;

(e) if in respect of the Collateral Obligation, there is an Insurance Financial Strength Rating, then the Fitch Rating shall be one notch lower than such Insurance Financial Strength Rating;

(f) if in respect of the Collateral Obligation there is a Moody's/S&P Corporate Issue Rating, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;

(g) if a Fitch Rating cannot otherwise be assigned, the Collateral Manager, on behalf of the Issuer, shall apply to Fitch for a credit opinion which shall then be the Fitch Rating or shall agree a rating with Fitch which shall then be the Fitch Rating, provided that, pending receipt from Fitch of any credit opinion, the applicable Collateral Obligation shall either be deemed to have a Fitch Rating of "B-", subject to the Collateral Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment; or

(h) if such Collateral Obligation is a Corporate Rescue Loan:

(i) if such Corporate Rescue Loan has a publicly available rating from Fitch or has been assigned an issue-level credit assessment by Fitch, the Fitch Rating shall be such rating or credit assessment; and

(ii) otherwise the Issuer or the Collateral Manager on behalf of the Issuer shall apply to Fitch for an issue-level credit assessment provided that, pending receipt from Fitch of any issue-level credit assessment, the applicable Corporate Rescue Loan shall either be deemed to have a Fitch Rating of "B-", subject to the Collateral Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment.

For the purposes of determining the Fitch Rating, the following definitions shall apply, provided always that, with respect to any Current Pay Obligation that is rated "D" or "RD", the Fitch Rating of such Current Pay Obligation will be "CCC", and provided further that (x) if the applicable Collateral Obligation has been put on rating watch negative or negative credit watch for possible downgrade by Fitch, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by Fitch, and (y) notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Collateral Obligations at any time.

"**Fitch IDR Equivalent**" means, in respect of any rating described in the Fitch Rating Mapping Table, the equivalent Fitch Issuer Default Rating determined by increasing (or reducing, in the case of a negative number) such rating (or the nearest Fitch equivalent thereof) by the number of notches specified under "Mapping Rule" in the fourth column of the Fitch Rating Mapping Table.

"**Fitch Rating Mapping Table**" means the following table:

Rating Type	Applicable Rating Agency(ies)	Issue rating	Mapping Rule
Corporate family rating or long term issuer rating	Moody's	n/a	+0
Issuer credit rating	S&P	n/a	+0
Senior unsecured Fitch,	Moody's or S&P	Any	+0
Senior, 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 Below "Ba2", but at or above	"Ca"	-2
Senior, senior secured or subordinated secured	Moody's	"Ca"	-1
Subordinated, junior subordinated or senior subordinated	Fitch, Moody's or S&P	"B+"/"B1" or above	+1
Subordinated, junior subordinated or senior	Fitch, Moody's or S&P	"B"/"B2" or below	+2

Rating Type	Applicable Rating Agency(ies)	Issue rating	Mapping Rule
subordinated			

"**Insurance Financial Strength Rating**" means, in respect of a Collateral Obligation, the lower of any applicable public insurance financial strength rating by S&P or Moody's in respect thereof.

"**Moody's CFR**" means, in respect of a Collateral Obligation, a publicly available corporate family rating by Moody's in respect of the Obligor thereof.

"**Moody's Long Term Issuer Rating**" means, in respect of a Collateral Obligation, a publicly available long term issuer rating by Moody's in respect of the Obligor thereof.

"**Moody's/S&P Corporate Issue Rating**" means, in respect of a Collateral Obligation, the lower of the Fitch IDR Equivalent ratings, determined in accordance with the Fitch Rating Mapping Table, corresponding to any outstanding publicly available issue rating by Moody's and/or S&P in respect of any other obligation of the Obligor or any of its Affiliates.

"**S&P Issuer Credit Rating**" means, in respect of a Collateral Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

Moody's Ratings Definitions

"**Moody's Default Probability Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) with respect to a Collateral Obligation that is a Moody's Senior Secured Floating Rate Note, Moody's Secured Senior Loan or Participation in a Moody's Secured Senior Loan, if the Obligor of such Collateral Obligation has a corporate family rating by Moody's, then such corporate family rating; and (solely for purposes of determining the Adjusted Weighted Average Moody's Rating Factor) with respect to a Collateral Obligation that is a Current Pay Obligation, one subcategory below the facility rating (whether public or private) of such Current Pay Obligation rated by Moody's;

(b) with respect to a Collateral Obligation that is a Moody's Secured Senior Loan or Participation in a Moody's Secured Senior Loan, if not determined pursuant to clause (a) above, if such Collateral Obligation (A) is publicly rated by Moody's, such public rating, or (B) is not publicly rated by Moody's but for which a rating or rating estimate has been assigned by Moody's upon the request of the Issuer or the Collateral Manager, such rating or the corporate family rating estimate, as applicable;

(c) with respect to a Collateral Obligation, if not determined pursuant to clause (a) or (b) above, (A) if the Obligor of such Collateral Obligation has one or more senior unsecured obligations publicly rated by Moody's, then the Moody's public rating on any such obligation (or, if such Collateral Obligation is a Moody's Secured Senior Loan, the Moody's rating that is one subcategory higher than the Moody's public rating on any such senior unsecured obligation) as selected by the Collateral Manager in its sole discretion or, if no such rating is available, (B) if such Collateral Obligation is publicly rated by Moody's, such public rating or, if no such rating is available, (C) if a rating or rating estimate has been assigned to such Collateral Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an affiliate of the Collateral Manager, such rating or, in the case of a rating estimate, the applicable rating estimate for such obligation or (D) if

such Collateral Obligation is a Corporate Rescue Loan, the Moody's Derived Rating set forth in clause (a) in the definition thereof; and

(d) with respect to a Collateral Obligation, if not determined pursuant to clause (a), (b) or (c) above, the Moody's Derived Rating.

"**Moody's Derived Rating**" means, with respect to a Collateral Obligation whose Moody's Rating or Moody's Default Probability Rating cannot be determined pursuant to clause (a), (b) or (c) of the respective definitions thereof, the Moody's Derived Rating for purposes of clause (d) 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 clause (a) above, if the Obligor of such Collateral Obligation has a long-term issuer rating by Moody's, then such long-term issuer rating;

(c) if not determined pursuant to clause (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 clause (a), (b) or (c) above, if the Obligor of such Collateral Obligation has a corporate family rating by Moody's, then one subcategory below such corporate family rating;

(e) if not determined pursuant to clause (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 Obligation	S&P Rating (Public and Monitored)	Collateral Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P rating
Not Structured Finance Obligation	>BBB-	Not a Loan or Participation in Loan	-1
Not Structured Finance Obligation	<BB+	Not a Loan or Participation in Loan	-2
Not Structured		Loan or Participation	-2

Type of Collateral Obligation	S&P Rating (Public and Monitored)	Collateral Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P rating
Finance Obligation		in Loan	

(ii) if such Collateral Obligation is not rated by S&P but another security or obligation of the Obligor has a public and monitored rating by S&P (a "**parallel security**"), then the rating of such parallel security will at the election of the Collateral Manager be determined in accordance with the table set forth in sub clause (e)(i) above, and the Moody's Derived Rating for the purposes of clause (d) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Obligation will be determined in accordance with the methodology set forth in clause (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 clause (e)(ii)); or

(iii) if such Collateral Obligation is a Corporate Rescue Loan, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency; or

(f) if such Collateral Obligation is not rated by Moody's and no other security or obligation of the issuer of such Collateral Obligation is rated by Moody's, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Obligation to assign a rating or rating estimate with respect to such Collateral Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating for purposes of clause (d) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Obligation shall be "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 Obligations determined pursuant to this clause (f) does not exceed 5.0 per cent. of the Collateral Principal Amount of all Collateral Obligations; or

(g) otherwise, "Caa3".

"**Moody's Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) with respect to a Collateral Obligation that (A) is publicly rated by Moody's, such public rating, or (B) is not publicly rated by Moody's but for which a rating or rating estimate has been assigned by Moody's upon the request of the Issuer or the Collateral Manager, such rating or, in the case of a rating estimate, the applicable rating estimate for such obligation;

(b) with respect to a Collateral Obligation that is a Moody's Senior Secured Floating Rate Note, Moody's Secured Senior Loan or Participation in a Moody's Secured Senior Loan, if not determined pursuant to clause (a) above, if the Obligor of such Collateral Obligation has a corporate family rating by Moody's, then such corporate family rating;

(c) with respect to a Collateral Obligation, if not determined pursuant to clause (a) or (b) above, if the Obligor of such Collateral Obligation has one or more senior unsecured obligations publicly rated by Moody's, then the Moody's public rating on any such

obligation (or, if such Collateral Obligation is a Moody's Secured Senior Loan, the Moody's rating that is one subcategory higher than the Moody's public rating on any such senior unsecured obligation) as selected by the Collateral Manager in its sole discretion;

(d) with respect to a Restructured Obligation which is not a Defaulted Obligation, if not determined pursuant to clause (a), (b) or (c) above, a rating of Caa3; and

(e) with respect to a Collateral Obligation, if not determined pursuant to clause (a), (b), (c) or (d) above, the Moody's Derived Rating.

"**Moody's Senior Secured Floating Rate Note**" means, a Senior Secured Floating Rate Note that (x) has a Moody's facility rating and the obligor of such note has a Moody's corporate family rating and (y) such Moody's facility rating is not lower than such Moody's corporate family rating.

"**Moody's Secured Senior Loan**" means:

(a) a loan that:

(i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan;

(ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; provided that any loan that would be considered a Moody's Secured Senior Loan but for clause (y) above shall be considered a Moody's Secured Senior Loan if it is a loan made to a parent entity and as to which the Collateral Manager determines in good faith that the value of the common stock of the subsidiary (or other equity interests in the subsidiary) securing such loan at or about the time of acquisition of such loan by the Issuer has a value that is at least equal to the outstanding principal balance of such loan and the outstanding principal balances of any other obligations of such parent entity that are *pari passu* with such loan, which value may include, among other things, the enterprise value of such subsidiary of such parent entity; and

(iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral; or

(b) a loan (other than a Mezzanine Obligation) that:

(i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan;

(ii) with respect to such liquidation, is secured by a valid perfected security interest or lien;

(iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral

Manager) to repay the loan in accordance with its terms and to repay all other loans of equal or higher seniority secured in the same collateral; and

(iv) (x) has a Moody's facility rating and the obligor of such loan has a Moody's corporate family rating and (y) such Moody's facility rating is not lower than such Moody's corporate family rating; and

(c) the loan is not:

(i) a Corporate Rescue Loan; or

(ii) a loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof.

"**Senior Secured Floating Rate Note**" means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon a European interbank offered rate for Euro deposits in Europe or a relevant reference bank's published base rate or prime rate for Euro-denominated obligations in Europe, (d) does not constitute and is not secured by, Margin Stock, (e) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalised leases or other similar obligations and (f) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

The Coverage Tests

The Coverage Tests will consist of the Class A/B Par Value Test, the Class A/B Interest Coverage Test, the Class C Par Value Test, the Class C Interest Coverage Test, the Class D Par Value Test, the Class D Interest Coverage Test, the Class E Par Value Test, the Class E Interest Coverage Test and the Class F Par Value Test. The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates, whether Principal Proceeds may be reinvested in Substitute Collateral Obligations, or whether Interest Proceeds which would otherwise be used to pay interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Participating Term Certificates must instead be used to pay principal of the Class A Notes and the Class B Notes in the event of failure to satisfy the Class A/B Coverage Tests, whether Interest Proceeds which would otherwise be used to pay interest on the Class D Notes must instead be used to pay principal of the Class A Notes, the Class B Notes and the Class C Notes in the event of failure to satisfy the Class C Coverage Tests, whether Interest Proceeds which would otherwise be used to pay interest on the Class E Notes must instead be used to pay principal of 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 and whether Interest Proceeds which would otherwise be used to pay interest on the Class F Notes must instead be used to pay principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in the event of failure to satisfy the Class E Coverage Tests, in each case to the extent necessary to cause the Coverage Tests relating to the relevant Class of Securities to be met.

Each of the Class A/B Par Value Test, the Class A/B Interest Coverage Test, the Class C Par Value Test, the Class C Interest Coverage Test, the Class D Par Value Test, the Class D Interest Coverage Test, the Class E Par Value Test, the Class E Interest Coverage Test and the Class F Par Value Test shall apply on a Measurement Date (i) on and after the Effective Date in respect of the Par Value Tests (save for the Class F Par Value Test), (ii) in the case of Class F Par Value Test following the expiry of the Reinvestment Period; and (iii) 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	130.43%
Class A/B Interest Coverage	120.00%
Class C Par Value	122.87%
Class C Interest Coverage	110.00%
Class D Par Value	115.54%
Class D Interest Coverage	105.00%
Class E Par Value	107.57%
Class E Interest Coverage	101.00%
Class F Par Value	104.63%

The Reinvestment Overcollateralisation Test

If the Reinvestment Overcollateralisation Test is not satisfied as of any Measurement Date on and after the Effective Date and during the Reinvestment Period, on the related Payment Date, Interest Proceeds shall be paid to the Principal Account to be applied for the purpose of the acquisition of additional Collateral Obligations in an amount equal to the lesser of (1) 50.0 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) 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 (A) through (W) inclusive of the Interest Proceeds Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met as of the relevant Measurement Date.

Reinvestment Overcollateralisation Test	*Percentage at Which Test Is Satisfied*
Reinvestment Overcollateralisation Test	104.63%

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.

General

The Collateral Manager will perform certain investment management functions, including, without limitation, supervising, directing and effecting the investment and reinvestment of the Collateral Obligations and Eligible Investments, and perform certain administrative and management functions on behalf of the Issuer in accordance with the applicable provisions of the Collateral Management Agreement. The Collateral Management Agreement contains procedures whereby the Collateral Manager will have discretionary authority of the Issuer in relation to the composition, acquisition and management of the Portfolio.

Compensation of the Collateral Manager

As compensation for the performance of its investment management services under the Collateral Management Agreement, the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will be entitled to receive from the Issuer on each Payment Date a senior collateral management fee equal to 0.15 per cent. per annum of the Collateral Principal Amount measured as of the first day (or if such day is not a Business Day, the next day which is a Business Day) of the Due Period immediately preceding such Payment Date, which collateral management fee will be payable senior to the Securities, but subordinated to certain fees and expenses of the Issuer in accordance with the Priorities of Payment (such fee, the "**Senior 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 on each Payment Date a subordinated collateral management fee equal to 0.35 per cent. per annum of the Collateral Principal Amount measured as of the first day (or if such day is not a Business Day, the next day which is a Business Day) of the Due Period immediately preceding such Payment Date, which collateral management fee will be payable senior to the payments on the Participating Term Certificates, but subordinated to the Rated Notes (such fee, the "**Subordinated Management Fee**"). The Collateral Manager may at its discretion direct the Issuer to pay a portion of the Subordinated Management Fee payable under or pursuant to the Collateral Management Agreement to be paid to one or more of the Participating Term Certificateholders, any of its other Affiliates or accounts or funds managed by it or its Affiliates.

In addition to the Senior Management Fee and the Subordinated Management Fee, the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will receive an incentive management fee, payable on each Payment Date as provided below and subject to the Priorities of Payment, if the Incentive Management Fee IRR Threshold has met or exceeded 12.0 per cent., in an amount equal to 20.0 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Participating Term Certificateholders in accordance with the Priorities of Payment (the "**Incentive Management Fee**").

Each of the Senior Management Fee, the Subordinated Management Fee and the Incentive Management Fee shall be calculated based upon the actual number of days elapsed in the applicable Due Period divided by 360 and shall exclude any VAT payable on such Senior Management Fee, the Subordinated Management Fee and the Incentive Management Fee.

If amounts distributable on any Payment Date in accordance with the Priorities of Payment are insufficient to pay the Senior Management Fee in full, then a portion of the Senior 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 Payment.

If amounts distributable on any Payment Date in accordance with the Priorities of Payment are insufficient to pay the Subordinated Management Fee in full, then a portion of the Subordinated 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 Payment.

The Collateral Manager may also elect to defer any Senior Management Fees and Subordinated Management Fees. Any amounts so deferred shall be applied in accordance with the Priorities of Payment. To the extent that the Collateral Manager elects to defer all or a portion thereof, the Senior Collateral Management Fee and/or Subordinated Collateral Management Fee, as applicable, will be deferred and will be payable on subsequent Payment Dates in accordance with the Priorities of Payment. Any due and unpaid Collateral Management Fees and any Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts shall not accrue any interest. In addition, in accordance with Condition 3(c) (*Priorities of Payment*), the Collateral Manager may, in its sole discretion, elect to designate all or a portion of the Senior Management Fee and/or the Subordinated Management Fee otherwise payable on a Payment Date for reinvestment in Substitute Collateral Obligations.

Except as otherwise agreed to by the Issuer and the Collateral Manager, the costs and expenses (including the fees and disbursements of counsel and accountants but excluding all overhead costs and employees' salaries) of the Collateral Manager and of the Issuer incurred in connection with the negotiation and preparation of and the execution of the Collateral Management Agreement and any amendment thereto, and all matters incidental thereto, shall be borne by the Issuer. Subject to the provisions relating to Administrative Expenses in the Priorities of Payment, the Issuer will reimburse the Collateral Manager for expenses including fees and out-of-pocket expenses reasonably incurred by the Collateral Manager in connection with services provided under the Collateral Management Agreement including, without limitation, (a) legal advisers, consultants, rating agencies, accountants, brokers and other professionals retained by the Issuer or the Collateral Manager (on behalf of the Issuer), (b) asset pricing and asset rating services, compliance services and software, and accounting, programming and data entry services directly related to the management of the Collateral, (c) any and all costs and expenses incurred in connection with the acquisition, disposition of investments on behalf of the Issuer (whether or not actually consummated) and management thereof, including attorneys' fees and disbursements, (d) preparing reports to holders of the Securities, (e) reasonable travel expenses (including without limitation airfare, meals, lodging and other transportation) undertaken in connection with the performance by the Collateral Manager of its duties pursuant to the Collateral Management Agreement or other Transaction Document, (f) expenses and costs in connection with any investor conferences, (g) any broker or brokers in consideration of brokerage services provided to the Collateral Manager in connection with the sale or purchase of any Collateral Obligation, Equity Security, Eligible Investment, or other assets received in respect thereof, (h) bookkeeping, accounting or recordkeeping services obtained or maintained with respect to the Issuer (including those services rendered at the behest of the Collateral Manager), (i) software programs licensed from a third party and used by the Collateral Manager in connection with servicing the Collateral, (j) fees and expenses incurred in obtaining the Market Value of Collateral Obligations (including without limitation fees payable to any nationally recognised pricing service), (k) audits incurred in connection with any consolidation review, and (l) as otherwise agreed upon by the parties to the Collateral Management Agreement.

Fees payable to, and costs and expenses of, the Collateral Manager, shall accrue up to the date on which the Collateral Manager's appointment is terminated or the Collateral Manager resigns its appointment, as described further below.

Standard of Care of the Collateral Manager

The Collateral Manager will perform its obligations under the Collateral Management Agreement and under the Trust Deed with reasonable care and in good faith, using a degree of skill and attention no less than which the Collateral Manager exercises with respect to comparable assets that it may manage for itself and its other clients and in accordance with its existing practices and procedures investing in assets of the nature and character of the Collateral (the "**Standard of Care**"). To the extent not inconsistent with the foregoing, the Collateral Manager will follow its customary standards, policies and procedures in performing its duties under the Collateral Management Agreement.

Liability of the Collateral Manager

The Collateral Manager shall not be responsible for any action or inaction of the Issuer or the Trustee in declining to follow any advice, recommendation or direction of the Collateral Manager. The Collateral Manager, its Affiliates and its shareholders and their respective Related Persons shall not be liable (whether directly or indirectly, in contract or in tort or otherwise) to the Issuer, the Trustee, any holder, the Initial Purchaser, any of their respective Affiliates, shareholders or Related Persons or any other Persons for any act, omission, error of judgment, mistake of law, or for any claim, loss, liability (including tax liability), damage, judgments, assessments, settlement, cost, or other expense (including attorneys' fees and expenses and court costs) arising out of or in connection with any investment, or for any other act or omission in the performance of the Collateral Manager's, its managers', directors', officers', partners', agents' or employee's obligations under or in connection with the Collateral Management Agreement or the terms of any other Transaction Document applicable to the Collateral Manager, incurred as a result of actions taken or recommended or for any omissions of the Collateral Manager, or for any decrease in the value of the Collateral, except for liability to which the Collateral Manager would be subject (a) by reason of acts or omissions constituting fraud, bad faith, wilful misconduct or gross negligence (such term having the meaning given to it under New York law) in the performance of its duties in any capacity under the Collateral Management Agreement or paragraphs 1(h) or 2 of the Risk Retention Letter or (b) 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 in which they were made, not misleading (together, "**Collateral Manager Breaches**"). The Collateral Manager shall not be liable for any consequential, punitive or exemplary damages or lost profits under the Collateral Management Agreement or otherwise. The Collateral Manager will be entitled to indemnification by the Issuer under certain circumstances, which will be payable as Administrative Expenses in accordance with the Priorities of Payment, and the Issuer and its Affiliates will be entitled to indemnification by the Collateral Manager, in each case as described in the Collateral Management Agreement.

Conflicts of Interest

It is understood that the Collateral Manager and any of its Affiliates may engage in any other business and furnish investment management and advisory services to others, including Persons which may have investment policies different from or similar to those followed by the Collateral Manager with respect to the Collateral and which may own securities or obligations of the same class, or which are of the same type, as the Collateral Obligations or the Eligible Investments or other securities or obligations of the obligors or issuers of the Collateral Obligations or the Eligible Investments. The Collateral Manager will be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, which may be the same as or different from those effected with respect to the Collateral. Nothing in these Conditions, the Trust Deed and the Collateral Management Agreement shall prevent the Collateral Manager or any of its Affiliates, acting either as principal or agent on behalf of others, from buying or selling, or from recommending to or directing any other account to buy or sell, at any time, securities or obligations of the same kind or class, or securities or obligations of a different

kind or class of the same obligor or issuer, as those directed by the Collateral Manager to be purchased or sold on behalf of the Issuer. It is understood that, to the extent permitted by applicable law, the Collateral Manager, its shareholders, their Affiliates or their respective Related Persons or any member of their families or a Person or entity advised by the Collateral Manager may have an interest in a particular transaction or in securities or obligations of the same kind or class, or securities or obligations of a different kind or class of the same issuer, as those whose purchase or sale the Collateral Manager may direct under the Collateral Management Agreement. If, in light of market conditions and investment objectives, the Collateral Manager determines that it would be advisable to purchase the same Collateral Obligation both for the Issuer, and either the proprietary account of the Collateral Manager or any Affiliate of the Collateral Manager or another client of the Collateral Manager, the Collateral Manager will employ allocation procedures consistent with such procedures as may be in place from time to time for its affiliated management entity. The Issuer will agree that, in the course of managing the Collateral Obligations held by the Issuer, the Collateral Manager may consider its relationships with other clients (including obligors and issuers) and its Affiliates. The Collateral Manager may decline to make a particular investment for the Issuer in view of such relationships. Additionally, the Issuer acknowledges that the Collateral Manager and its Affiliates may enter into, for their own accounts or for the accounts of others, credit default swaps relating to obligors and issuers with respect to the Collateral Obligations included in the Collateral.

The Collateral Manager and its Affiliates may at certain times seek to purchase or sell investments from or to the Issuer as principal. The Collateral Manager may, subject to compliance with applicable laws and regulations and subject to the Collateral Management Agreement, direct the Trustee to acquire a Collateral Obligation from, or sell a Collateral Obligation, Equity Security or Eligible Investment to, the Collateral Manager, any of its Affiliates or any account or portfolio for which the Collateral Manager or any of its Affiliates serve as investment advisor for fair market value and on arm's length terms (an "**Affiliate Transaction**"). At the written request of the Collateral Manager, the Issuer shall establish a conflicts review board or appoint an independent third party to act on behalf of the Issuer (such board or party, an "**Independent Review Party**") with respect to Affiliate Transactions. Decisions of any Independent Review Party shall be binding on the Collateral Manager, the Issuer and the Holders. Any Independent Review Party (i) shall either (A) be the Managing Directors , (B) be an established financial institution or other financial company with experience in assessing the merits of transactions similar to the Affiliate Transactions or (C) be a review board comprised of one or more individuals selected by the Issuer (or at the request of the Issuer, selected by the Collateral Manager), (ii) shall be required to assess the merits of the Affiliate Transaction and either grant or withhold consent to such transaction in its sole judgment and (iii) shall not be (A) affiliated with the Collateral Manager (other than as a Holder or as a passive investor in the Issuer or an Affiliate of the Issuer) or (B) (other than the Managing Directors) involved in the daily management and control of the Issuer. The Issuer (i) shall be responsible for any reasonable fees relating to the services provided by any Independent Review Party and shall reimburse members of any Independent Review Party for their out-of-pocket expenses and (ii) may indemnify members of such Independent Review Party to the maximum extent permitted by law, subject to terms and conditions satisfactory to the Collateral Manager.

Collateral Manager Securities will have no voting rights with respect to any vote (or written direction or consent) in connection with (i) a CM Removal Resolution, and (ii) following the removal of the Collateral Manager after the occurrence of a Collateral Manager Event of Default, a CM Replacement Resolution pursuant to the Conditions and the Collateral Management Agreement; provided that Collateral Manager Securities will have voting rights with respect to all other matters as to which the holders of such Securities are entitled to vote.

"**Related Person**" means any fund or account for which the Collateral Manager (acting in any capacity) or its Affiliates exercises discretionary voting authority on behalf of such fund or account in respect of the Securities.

Termination of the appointment of the Collateral Manager

Resignation of the Collateral Manager

The Collateral Manager may, subject to the appointment of a successor collateral manager in accordance with the terms of the Collateral Management Agreement, resign upon 90 days' prior written notice to the Issuer (or such shorter notice as is acceptable to the Issuer), the Holders and the Trustee: *provided that* the Collateral Manager shall have the right to resign immediately whether or not a replacement Collateral Manager has been appointed upon the effectiveness of any material change in applicable law or regulations which renders the performance by the Collateral Manager of its duties under the Collateral Management Agreement or under the Trust Deed to be a violation of such law or regulation.

Collateral Manager Event of Default

The Collateral Manager may be removed upon the occurrence of a Collateral Manager Event of Default upon 20 Business Days' prior written notice by the Issuer ("**Termination Notice**") at the direction of the Controlling Class. Simultaneous with its direction to the Issuer to remove the Collateral Manager upon a Collateral Manager Event of Default, the Requisite Majority of the Controlling Class acting by Written Resolution and the Holders of Participating Term Certificates acting by Extraordinary Resolution, as applicable (and in each case excluding (x) the Holders of any CM Non-Voting Exchangeable Notes; (y) the Holders of any CM Non-Voting Notes; and (z) the Holders of Collateral Manager Securities) shall give to the Issuer a written statement setting forth the reason for such removal ("**Statement of Cause**"). The Issuer shall deliver to the Trustee (who shall deliver a copy of such notice to the Holders) a copy of the Termination Notice and the Statement of Cause within one Business Day of receipt.

No such removal shall be effective (a) until the date as of which a successor Collateral Manager shall have been appointed in accordance with the Collateral Management Agreement and as further described in "*Replacement*" and "*Voting on Replacement*" below, and delivered an instrument of acceptance to the Issuer and the removed Collateral Manager and the successor Collateral Manager has effectively assumed all of the Collateral Manager's duties and obligations and (b) unless the Statement of Cause has been delivered to the Issuer as set forth in the Collateral Management Agreement.

Replacement

Except as specified above, no resignation or removal of the Collateral Manager or termination of the Collateral Management Agreement shall be effective until the date as of which a successor Collateral Manager shall have been appointed and approved subject to and in accordance with the Collateral Management Agreement and has accepted all of the Collateral Manager's duties and obligations pursuant to the Collateral Management Agreement in writing and has assumed such duties and obligations.

Upon any resignation or removal of the Collateral Manager, the Issuer shall transmit copies of such notice to the Trustee, each Hedge Counterparty, the Holders and each Rating Agency then rating a Class of Rated Notes and shall appoint an institution as Collateral Manager, at the direction of the Participating Term Certificateholders acting by way of Extraordinary Resolution and the Requisite Majority of the Controlling Class acting by way of Written Resolution (in each case excluding (x) the Holders of any CM Non-Voting Exchangeable Notes, (y) the Holders of any CM Non-Voting Notes and (z) Collateral Manager Securities (only in the case of a CM Removal Resolution or a CM Replacement Resolution (following the removal of the Collateral Manager after the occurrence of a Collateral Manager Event of Default)), and which institution:

(a) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management Agreement and has a substantially similar (or higher) level of expertise;

(b) is legally qualified and has the capacity (including the Dutch regulatory capacity to provide collateral management services to Dutch counterparties as a matter of the laws of The Netherlands) to act as collateral manager under the Collateral Management Agreement and under the applicable terms of the Trust Deed as successor to the Collateral Manager under the Collateral Management Agreement;

(c) does not cause or result in the Issuer becoming, or require the pool of Collateral to be registered as, an investment company under the Investment Company Act;

(d) does not cause the Issuer to (i) be 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 basis or (ii) be required to pay income, corporate, trade or similar taxes in any tax jurisdiction other than The Netherlands;

(e) does not cause or result in VAT or any similar tax being chargeable on the Collateral Management Fees (whether to a tax authority or counterparty);

(f) has been identified in a prior written notice provided to each Rating Agency; and

(g) if it is to be the relevant retention party for the purposes of the Retention Requirements, the transfer of the Retention Securities to such entity is permitted under and contemplated by the Risk Retention Letter, permitted under the Retention Requirements and would not cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements.

Any such resignation is without prejudice and subject to fulfilment of the Collateral Manager's obligations in its capacity as Retention Holder in respect of the Retention Securities under the Risk Retention Letter (unless the same are transferred in accordance with the terms of the Risk Retention Letter as described herein in "*The Retention Holder and Retention Requirements*" above).

Voting on Replacement

Pursuant to the terms of the Collateral Management Agreement, upon the occurrence of the resignation of the Collateral Manager (in the circumstances set out above) or a termination of the Collateral Manager upon the occurrence of a Collateral Manager Event of Default (each as described above), both the Requisite Majority of the Controlling Class acting by Written Resolution and the holders of Participating Term Certificates acting by Extraordinary Resolution (excluding in each case the Holders of CM Non-Voting Exchangeable Notes, CM Non-Voting Notes and Collateral Manager Securities (only in the case of a CM Removal Resolution or a CM Replacement Resolution (following the removal of the Collateral Manager after the occurrence of a Collateral Manager Event of Default))), will (together) have the right to appoint a successor collateral manager, as more fully described above and in the Collateral Management Agreement.

Assignment

Except as provided below, the Collateral Manager may not assign or delegate its material rights or responsibilities under the Collateral Management Agreement:

(a) without providing prior written notice to each Rating Agency then rating a Class of Rated Notes;

(b) without obtaining the consent of the Issuer and the consent of the Controlling Class acting by Ordinary Resolution and the holders of the Participating Term Certificates, acting by Ordinary Resolution (but excluding in each case the Holders of CM Non-Voting Exchangeable Notes and CM Non-Voting Notes), and provided that the consent of the Holders of Participating Term Certificates shall not be required in circumstances where all of the Outstanding Participating Term Certificates are Collateral Manager Securities;

(c) if such assignment or delegation would cause the Issuer to (i) be 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 basis or (ii) be required to pay income, corporate, trade or similar taxes in any tax jurisdiction other than The Netherlands or (iii) incur VAT or any similar tax on Collateral Management Fees (whether to a tax authority or any counterparty);

(d) unless the third party charges fees that are not greater than the Collateral Management Fees;

(e) unless the third party is legally qualified and has the capacity (including the Dutch regulatory capacity to provide collateral management services to Dutch counterparties as a matter of the laws of The Netherlands) to act as collateral manager under the Collateral Management Agreement and under the applicable terms of the Trust Deed as successor to the Collateral Manager under the Collateral Management Agreement;

(f) unless such assignment or delegation does not cause or result in the Issuer becoming, or require the pool of Collateral to be registered as, an investment company under the Investment Company Act; and

(g) if such assignment or delegation would cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements.

The Collateral Manager may, without obtaining the consent of any holder and without obtaining the prior consent of the Issuer:

(a) assign any of its rights or obligations under the Collateral Management Agreement to an Affiliate *provided that* such Affiliate (i) has demonstrated ability, whether as an entity or by its personnel, to professionally and competently perform duties similar to those imposed upon the Collateral Manager pursuant to the Collateral Management Agreement, (ii) has the legal right and capacity (including the Dutch regulatory capacity) to act as Collateral Manager under the Collateral Management Agreement, (iii) shall not cause the Issuer or the pool of Collateral to become required to register under the provisions of the Investment Company Act, (iv) shall not cause the Issuer to be 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 basis, (v) shall not cause the Issuer to be required to pay income, corporate, trade or similar taxes in any tax jurisdiction other than The Netherlands, (vi) shall not cause the Issuer to incur VAT or any similar tax on Collateral Management Fees (whether to a tax authority or any counterparty) and (vii) in taking such an assignment or transfer of such rights and/or obligations will not cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements; or

(b) enter into (or have its parent enter into) any consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets to, another entity and, (A) at the time of such consolidation, merger, amalgamation or transfer the resulting, surviving or transferee entity assumes all the obligations of the Collateral Manager under the Collateral Management Agreement generally (whether by operation of law or by contract) and the other entity is solely a continuation of the Collateral Manager in another

corporate or similar form and has substantially the same personnel and (B) such action does not cause the Issuer to (a) be 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 basis or (b) be required to pay income, corporate, trade or similar taxes in any tax jurisdiction other than the Netherlands or (c) incur VAT or any similar tax on Collateral Management Fees; and *provided that* any such transaction will not cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements,

provided further that the Collateral Manager shall deliver prior notice to the Rating Agencies then rating a Class of Rated Notes of any transfer, assignment, delegation or combination made pursuant to this sentence. Upon the acceptance by a successor Collateral Manager of any such transfer or assignment referred to above, all rights and obligations of the Collateral Manager under the Collateral Management Agreement shall terminate (except as provided in clause 12 (*Records; Confidentiality*), clause 14.5 (*Partial Periods*), clause 16 (*Limits of Collateral Manager Responsibility; Indemnification*) and clause 19 (*Action upon termination*) thereof) and the Collateral Manager shall thereafter have no liability under the Collateral Management Agreement or for any actions of the successor Collateral Manager; provided that the Collateral Manager shall remain liable for any claims arising under the Collateral Management Agreement prior to such assignment which it would be otherwise be liable for; and provided that any such assignment or transfer will be without prejudice to the obligations of the Collateral Manager in its capacity as Retention Holder under the Risk Retention Letter (unless the same are transferred in accordance with the terms of the Risk Retention Letter as described herein). In relation to any delegation by the Collateral Manager pursuant to any of the above paragraphs, the Collateral Manager shall not be relieved of any of its duties under the Collateral Management Agreement regardless of the performance of any services by the delegate and shall remain liable for the performance of its obligations under the Collateral Management Agreement.

In addition, in providing services under the Collateral Management Agreement, the Collateral Manager may rely in good faith upon and will incur no liability for relying upon advice of nationally recognised counsel, accountants or other advisers as the Collateral Manager determines, in its sole discretion, is reasonably appropriate in connection with the services provided by the Collateral Manager under the Collateral Management Agreement. The Collateral Manager may, without the consent of any party, employ third parties, including, without limitation, its Affiliates and owners, to render advice (including investment advice), to provide services to arrange for trade execution and otherwise provide assistance to the Issuer and to perform any of its duties under the Collateral Management Agreement; provided that (i) such action does not cause the Issuer to (a) be 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 basis or (b) be required to pay income, corporate, trade or similar taxes in any tax jurisdiction other than The Netherlands or (c) incur VAT or any similar tax on Collateral Management Fees; (ii) the Collateral Manager shall not be relieved of any of its duties under the Collateral Management Agreement regardless of the performance of any services by third parties, including Affiliates; (iii) the Collateral Manager shall be responsible for the costs and expenses of such appointment where the Collateral Manager has appointed such third party to perform services that the Collateral Manager would otherwise perform itself; and (iv) such third party has the necessary Dutch regulatory capacity to provide advice or services (if any).

No Voting Rights

Collateral Manager Securities will have no voting rights with respect to any vote in connection with: (a) a CM Removal Resolution; and (b), following the removal of the Collateral Manager after the occurrence of a Collateral Manager Event of Default, a CM Replacement Resolution pursuant to the Conditions and the Collateral Management Agreement, provided that Collateral Manager Securities will have voting rights with respect to all other matters as to which the holders of such Securities are entitled to vote.

DESCRIPTION OF THE COLLATERAL ADMINISTRATOR

The information appearing in this section has been prepared by the Collateral Administrator and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Issuer, the Initial Purchaser or any other party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

Elavon Financial Services Limited is a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered number BR009373) from its offices at 125 Old Broad Street, London, EC2N 1AR under the trade name U.S. Bank Global Corporate Trust Services.

Elavon Financial Services Limited is regulated by the Central Bank of Ireland and is subject to the Financial Conduct Authority's Conduct of Business Rules.

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 by (i) the Issuer at its discretion or (ii) the Trustee acting upon the written direction of the Holders of the Participating Term Certificates acting by way of Ordinary Resolution and subject to the Trustee being secured and/or indemnified and/or prefunded to its satisfaction; or (b) with cause upon at least ten days' prior written notice by (i) the Issuer at its discretion or (ii) the Trustee acting upon the written directions of the Holders of the Participating Term Certificates 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 ten 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 and notice of such appointment and resignation has been given by the Issuer to the Holders.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions of 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 if such Hedge Agreement is a Form Approved Hedge (for the avoidance of doubt, including where such Form Approved Hedge is entered into on the Closing Date) or, where such Hedge Agreement is not a Form Approved Hedge, subject to receipt of Rating Agency Confirmation in respect thereof.

Hedge Agreements

Subject to the satisfaction of the Hedging Condition, the Issuer (or the Collateral Manager on its behalf) may enter into transactions documented under a 1992 (Multicurrency - Cross Border) or 2002 Master Agreement or such other form published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"). Each Hedge Transaction will be evidenced by a confirmation entered into pursuant to a Hedge Agreement.

Each Hedge Transaction will be used:

(a) in the case of an Interest Rate Hedge Transaction, to hedge any interest rate mismatch between the Rated Notes and the Collateral Obligations; and

(b) in the case of a Currency Hedge Transaction, to exchange payments of principal, interest and other amounts in respect of any Non-Euro Obligation for amounts denominated in Euros at the Currency Hedge Transaction Exchange Rate,

in each case subject to (i) satisfaction of the Hedging Condition, (ii) receipt of Rating Agency Confirmation in respect thereof (save in the case of a Form Approved Hedge) and (iii) the Hedge Counterparty satisfying the applicable Rating Requirement (taking into account any guarantor thereof) and having the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

Replacement Hedge Transactions

Currency Hedge Transactions: In the event that any Currency Hedge Transaction terminates in whole at any time, other than in circumstances where the Collateral Manager intends to sell the related Non-Euro Obligation on behalf of the Issuer or a Redemption Date has or is scheduled to occur, the Issuer, or the Collateral Manager on its behalf, shall use commercially reasonable endeavours to enter into a replacement Currency Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and which has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

Interest Rate Hedge Transactions: In the event that any Interest Rate Hedge Transaction terminates in whole at any time in circumstances in which the applicable Interest Rate Hedge Counterparty is the Defaulting Hedge Counterparty, the Issuer, or the Collateral Manager on its behalf, shall use commercially reasonable endeavours to enter into a replacement Interest Rate Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and which has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

Standard Terms of Currency Hedge Transactions

Any Currency Hedge Transaction shall contain the following terms (provided that the Issuer may enter into Currency Hedge Transactions on different terms than those set forth below if such Currency Hedge Transactions are entered into as a Form Approved Hedge (for the avoidance of doubt, including where such Form Approved Hedge is entered into on the Closing Date) or, where such Hedge Agreement is not a Form Approved Hedge, subject to receipt of Rating Agency Confirmation in respect thereof):

(a) on the effective date of entry into such transaction, the Issuer pays to the Currency Hedge Counterparty an initial exchange amount in Euros equal to the purchase price of such Non-Euro Obligation, converted into Euros at the Currency Hedge Transaction Exchange Rate in exchange for payment by the Currency Hedge Counterparty of an initial exchange amount in the relevant currency equal to the purchase price of such Non-Euro Obligation;

(b) on the scheduled date of termination of such transaction, as described in the confirmation, the Issuer pays to the Currency Hedge Counterparty an amount equal to the amount payable upon maturity of the Non-Euro Obligation in the relevant currency (the "**Proceeds on Maturity**") in exchange for payment by the Currency Hedge Counterparty of an amount denominated in Euros, such amount to be an amount equal to the Proceeds on Maturity converted into Euros at the Currency Hedge Transaction Exchange Rate;

(c) two Business Days following the date of each scheduled payment of interest on the related Non-Euro Obligation or such later date as otherwise specified in the relevant confirmation, the Issuer pays to the Currency Hedge Counterparty an amount in the relevant non-Euro currency based on the principal amount outstanding from time to time of the relevant Non-Euro Obligation and equal to the interest payable in respect of the Non-Euro Obligation and the Currency Hedge Counterparty will pay to the Issuer an amount based on the outstanding principal amount of the related Non-Euro Obligation and equal to the interest payable in respect of the Non-Euro Obligation converted into Euros at the Currency Hedge Transaction Exchange Rate;

(d) the amounts payable pursuant to the terms of a Currency Hedge Transaction in respect of a Revolving Obligation or Delayed Drawdown Collateral Obligation shall be subject to change on an ongoing basis to reflect changes in the amount of the interest and/or commitment fees receivable by the Issuer in respect of such Revolving Obligation or Delayed Drawdown Collateral Obligation from time to time as amounts are drawn down and/or repaid thereunder;

(e) following the sale of any Non-Euro Obligation, the Issuer shall pay to the Currency Hedge Counterparty an amount equal to the sale proceeds of such Non-Euro Obligation in the relevant currency (the "**Proceeds on Sale**") in exchange for payment by the Currency Hedge Counterparty of an amount denominated in Euros, such amount to be an amount equal to the Proceeds on Sale converted into Euros at the Currency Hedge Transaction Exchange Rate less any amounts payable to the Currency Hedge Counterparty in respect of the early termination of the relevant Currency Hedge Transaction (or such other amount to the Hedge Counterparty in respect of such sale and early termination as may be agreed between the Issuer and the Hedge Counterparty);

(f) upon the insolvency of the Issuer and/or the acceleration of the Securities in accordance with Condition 10(b) (*Acceleration*), and upon the Trustee, 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 Currency Hedge Counterparty shall receive the proceeds of the sale of the Non-Euro Obligation from the Issuer and return the Euro-equivalent amount owing, less any amount payable to the Currency Hedge Counterparty in respect of the early termination of the

Currency Hedge Transaction and the Currency Hedge Transaction shall terminate in accordance with its terms; and

(g) notwithstanding (f) above, upon the insolvency of the Issuer and/or the acceleration of the Securities in accordance with Condition 10(b) (*Acceleration*), the Currency Hedge Counterparty may, but shall not be obliged to, terminate any or all Currency Hedge Transactions at its side of the market in which case any Currency Hedge Termination Payment would be paid in accordance with the Post-Acceleration Priority of Payments.

The Collateral Manager, acting on behalf of the Issuer, shall convert all amounts received by it in respect of any Non-Euro Obligation which is not the subject of a related Currency Hedge Transaction into Euros promptly upon receipt thereof at the then prevailing Spot Rate and shall procure that such amounts are paid into the Principal Account or the Interest Account, as applicable. The Collateral Manager (on behalf of the Issuer) is also authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Currency Hedge Transaction.

All amounts received by the Issuer in respect of Non-Euro Obligations shall be paid into the sub-account of the Currency Account and all amounts payable by the Issuer under any Currency Hedge Transaction (other than Hedge Replacement Payments, Hedge Replacement Receipts, Hedge Issuer Termination Payments and Hedge Counterparty Termination Payments) will be paid in the relevant currency out of the sub-account in the relevant currency of the Currency Account to the extent amounts are available therein.

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 applicable Hedge Counterparty, provided that where such Hedge Agreement is a Form Approved Hedge, such Hedge Agreement may be on terms other than as set out below (for the avoidance of doubt, including where such Hedge Agreement is entered into on the Closing Date) or, where such Hedge Agreement is not a Form Approved Hedge, subject to receipt of Rating Agency Confirmation in respect thereof.

Gross up

Under each Hedge Agreement the Issuer and the applicable Hedge Counterparty shall represent that payments made by it under such Hedge Agreement (other than default interest) will not be subject to withholding tax, other than withholding tax imposed as a result of a connection between the jurisdiction imposing the withholding tax and the recipient of the payment or a related person. The Issuer will not be obliged to gross up any payments thereunder, however, the applicable Hedge Counterparty may in certain circumstances 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, provided that any withholding for or on account of FATCA may be excluded from such gross up obligation. 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 Securities has been substituted for the Issuer in accordance with Condition 9 (*Taxation*), arrange for a transfer of all of its interest and obligations under the Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct

for or on account of tax subject to satisfaction of the conditions specified therein (including receipt of Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of Payment 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 (or by the Collateral Manager on its behalf) in accordance with 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 Transaction may terminate by its terms, whether or not the Securities have been paid in full prior to such termination, upon the earlier to occur of certain events, which may include but shall not be limited to:

(a) certain events of bankruptcy, insolvency, receivership or reorganisation of the Issuer or the related Hedge Counterparty;

(b) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the applicable Hedge Transaction after taking into account the applicable grace period;

(c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or perform its obligations under, the applicable Hedge Transaction;

(d) the principal due in respect of the Securities is declared to be due and payable in accordance with the terms of the Trust Deed and, in some cases, the Trustee has started to sell all or part of the Collateral as a consequence thereof;

(e) the Securities are redeemed in whole prior to the Maturity Date (otherwise than as a result of a Note Event of Default thereunder);

(f) representations related to certain regulatory matters prove to be incorrect;

(g) other regulatory changes occur which have a material adverse effect on a Hedge Counterparty;

(h) 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; and

(i) failure by a Hedge Counterparty 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.

Hedge Agreements commonly also contain provisions which allow a Hedge Counterparty to terminate a Hedge Transaction upon the occurrence of certain events or restructurings related to the underlying Non-Euro Obligation. These events could potentially be triggered in circumstances where the related Collateral Obligation would not constitute a Defaulted Obligation.

A termination of a Hedge Agreement or Hedge Transaction does not constitute a Note Event of Default under the Securities though the repayment in full of the Securities 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. Such Termination Payment will be determined by the applicable Hedge Counterparty and/or the 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 any loss suffered by a party, subject to and in accordance with the relevant Hedge Agreement.

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.

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 Securities.

Transfer and Modification

The Collateral Manager acting on behalf of the Issuer, may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form Approved Hedge following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose credit support provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and provided that such institution has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

Governing Law

Each Hedge Agreement together with each Hedge Transaction thereunder in each case, including any noncontractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

Reporting of Specified Hedging Data

The Collateral Manager, on behalf of the Issuer, may from time to time enter into Reporting Delegation Agreements for the delegation of certain derivative transaction reporting obligations to one or more Reporting Delegates.

DESCRIPTION OF THE REPORTS

Monthly Reports

The Collateral Administrator, not later than the fifteenth calendar day (or if such day is not a Business Day, the immediately following Business Day) of each month (save in respect of any month for which a Payment Date Report has been prepared) commencing in the month immediately after the month in which the Effective Date occurs on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile and provide to the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser, each Hedge Counterparty and each Rating Agency, and upon request therefor in accordance with Condition 4(f) (*Information Regarding the Collateral*), to any Holder and which shall be made available via a secured website currently located at https://usbtrustgateway.usbank.com/portal/login.do (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, Trustee, Collateral Manager, Initial Purchaser, Hedge Counterparties, Rating Agencies and Holders from time to time), a monthly report (the "**Monthly Report**"), which shall contain, without limitation, the information set out below with respect to the Portfolio (and, where applicable, the Securities), determined by the Collateral Administrator as at the date falling eight Business Days prior to the fifteenth calendar day of each month (or if such day is not a Business Day, the immediately following Business Day) in consultation with the Collateral Manager.

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations and Eligible Investments representing Principal Proceeds;

(b) the Collateral Principal Amount of the Collateral Obligations;

(c) the Adjusted Collateral Principal Amount of the Collateral Obligations;

(d) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, its Principal Balance, LoanX ID, ISIN or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility name, Collateral Obligation Stated Maturity, Obligor, the Domicile of the Obligor, location of assets, location of security, Fitch Recovery Rate, Fitch Rating, Moody's Rating, Moody's Recovery Rate, Moody's Default Probability Rating and any other public rating (other than any confidential credit estimate) and its Fitch industry category;

(e) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, whether such Collateral Obligation is a Secured Senior Loan, Secured Senior Bond, Unsecured Senior Loan, Second Lien Loan, Mezzanine Obligation or High Yield Bond, Fixed Rate Collateral Obligation, Semi-Annual Obligation, Corporate Rescue Loan, PIK Security, Current Pay Obligation, Revolving Obligation, Delayed Drawdown Collateral 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 Equity Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Collateral Obligation Stated Maturity and Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto;

(g) subject to any confidentiality obligations binding on the Issuer, the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Obligations, Collateral Enhancement Obligations or Exchanged Equity Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition and the section

in the Collateral Management Agreement pursuant to which such sale or other disposition was made), the Aggregate Principal Balances of Collateral Obligations released for sale or other disposition at the Collateral Manager's discretion (expressed as a percentage of the Adjusted Collateral Principal Amount and measured at the date of determination of the last Monthly Report) and the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Collateral Manager;

(h) subject to any confidentiality obligations binding on the Issuer, the purchase or sale price of each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation acquired by the Issuer and in which the Issuer has granted a security interest to the Trustee, and each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation sold by the Issuer since the date of determination of the last Monthly Report and the identity of the purchasers or sellers thereof, if any, that are Affiliated with the Issuer or the Collateral Manager;

(i) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Defaulted Obligation or Deferring Security or in respect of which an Exchanged Equity Security has been received since the date of determination of the last Monthly Report and the identity and Principal Balance of each CCC Obligation, Caa Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Restructured Obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the Restructuring Date and the identity and Principal Balance of each Restructured Obligation for which the Collateral Obligation Stated Maturity thereof falls after the Maturity Date of the Securities;

(k) the Aggregate Principal Balance of Collateral Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Collateral Manager has actual knowledge;

(l) in respect of each Collateral Obligation, its Fitch Rating and Moody's Rating (other than any confidential credit estimate) as at (i) the date of acquisition; (ii) the date of the previous Monthly Report; and (iii) the date of the current Monthly Report;

(m) the Aggregate Principal Balance of Collateral Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record; and

(n) the Aggregate Principal Balance of all Collateral Obligations with a maturity date falling after the Maturity Date of the Rated Notes.

Accounts

(a) the name of the Account Bank;

(b) the Balances standing to the credit of each of the Accounts; and

(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.

Hedge Transactions

(a) subject to any confidentiality obligations binding on the Issuer, the names of each Hedge Counterparty;

(b) the outstanding notional amount of each Hedge Transaction and the current rate of EURIBOR;

(c) the amount scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date; and

(d) the then current Moody's rating and Fitch rating in respect of each Hedge Counterparty and whether such Hedge Counterparty satisfies the Rating Requirements.

Coverage Tests, Collateral Quality Tests and Reinvestment Overcollateralisation Test

(a) a statement as to whether each of the Par Value Tests is satisfied and details of the relevant Par Value Ratios;

(b) a statement as to whether each of the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test is satisfied and details of the relevant Interest Coverage Ratios;

(c) a statement as to whether the Reinvestment Overcollateralisation Test is satisfied and details of the Class F Par Value Ratio;

(d) the Fitch Weighted Average Recovery Rate and a statement as to whether the Fitch Minimum Weighted Average Recovery Rate Test is satisfied;

(e) the Weighted Average Life and a statement as to whether the Weighted Average Life Test is satisfied;

(f) the Weighted Average Floating Spread (shown as including and excluding both the Aggregate Excess Funded Spread and any EURIBOR floor, if any), a statement as to whether the Minimum Weighted Average Floating Spread Test is satisfied and the amount of the Aggregate Excess Funded Spread;

(g) the Weighted Average Coupon Adjustment Percentage and the Weighted Average Coupon;

(h) so long as any Securities rated by Moody's are Outstanding, the Adjusted Weighted Average Moody's Rating Factor and a statement as to whether the Moody's Maximum Weighted Average Rating Factor Test is satisfied;

(i) so long as any Securities rated by Moody's are Outstanding, (i) the Weighted Average Moody's Recovery Rate and a statement as to whether the Moody's Minimum Weighted Average Recovery Rate Test is satisfied and (ii) subject to any confidentiality undertakings binding on the Issuer, with respect to each Collateral Obligation, (A) the name of the Obligor; (B) the Moody's Default Probability Rating (if public); (C) the name of the Collateral Obligation as documented in its Underlying Instrument (or, where it is not practicable to provide this information, such information shall, upon request from Moody's, be provided to Moody's in the event that Moody's is unable to map such name to its database); (D) the seniority of the Collateral Obligation; (E) the Moody's Rating of the Collateral Obligation (if public); and (F) the Moody's assigned recovery rate (if the relevant Collateral Obligation has a Moody's Rating which is public);

(j) so long as any Securities rated by Moody's are Outstanding, the Diversity Score and a statement as to whether the Moody's Minimum Diversity Test is satisfied; and

(k) a statement identifying any Collateral Obligation in respect of which the Collateral Manager has made its own determination of "Market Value" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests.

Portfolio Profile Tests

(a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied, together with details of the result of the calculations required to be made in order to make such determination which details shall include the applicable numbers, levels and/or percentages resulting from such calculations;

(b) the identity and Moody's rating and Fitch 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 Moody's ratings and Fitch ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non compliance.

Frequency Switch Event

A statement indicating whether a Frequency Switch Event has occurred during the relevant Due Period.

Risk Retention

(a) a statement that the Collateral Administrator has received written confirmation from the Retention Holder that:

(i) it continues to hold not less than five per cent. of the nominal value of each Class of Securities; and

(ii) it has not sold, hedged or otherwise mitigated its credit risk (including in relation to any financial arrangements it has entered into) under or associated with the Retention Securities or the underlying portfolio of Collateral Obligations, except to the extent permitted in accordance with the Retention Requirements; and

(b) confirmation of any other information or agreements supplied by the Retention Holder as reasonably required to satisfy the Retention Requirements from time to time, subject to and in accordance with the terms of the Risk Retention Letter.

CM Voting Notes / CM Non-Voting Exchangeable Notes / CM Non-Voting Notes

(a) For so long as any Class A Notes are Outstanding:

(i) the aggregate Principal Amount Outstanding of all Class A CM Voting Notes;

(ii) the aggregate Principal Amount Outstanding of all Class A CM Non-Voting Exchangeable Notes; and

(iii) the aggregate Principal Amount Outstanding of all Class A CM Non-Voting Notes.

(b) For so long as any Class B-1 Notes are Outstanding:

(i) the aggregate Principal Amount Outstanding of all Class B-1 CM Voting Notes;

(ii) the aggregate Principal Amount Outstanding of all Class B-1 CM Non-Voting Exchangeable Notes; and

(iii) the aggregate Principal Amount Outstanding of all Class B-1 CM Non-Voting Notes.

(c) For so long as any Class B-2 Notes are Outstanding:

(i) the aggregate Principal Amount Outstanding of all Class B-2 CM Voting Notes;

(ii) the aggregate Principal Amount Outstanding of all Class B-2 CM Non-Voting Exchangeable Notes; and

(iii) the aggregate Principal Amount Outstanding of all Class B-2 CM Non-Voting Notes.

(d) For so long as any Class C Notes are Outstanding:

(i) the aggregate Principal Amount Outstanding of all Class C CM Voting Notes;

(ii) the aggregate Principal Amount Outstanding of all Class C CM Non-Voting Exchangeable Notes; and

(iii) the aggregate Principal Amount Outstanding of all Class C CM Non-Voting Notes.

(e) For so long as any Class D Notes are Outstanding:

(i) the aggregate Principal Amount Outstanding of all Class D CM Voting Notes;

(ii) the aggregate Principal Amount Outstanding of all Class D CM Non-Voting Exchangeable Notes; and

(iii) the aggregate Principal Amount Outstanding of all Class D CM Non-Voting Notes.

Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall render an accounting report (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and delivered to the Collateral Manager, the Issuer, the Trustee, the Initial Purchaser, any holder of a beneficial interest in any Security (upon written request therefor in the form set out in the Agency Agreement certifying that it is such a holder), each Hedge Counterparty and each Rating Agency not later than the related Payment Date and which shall be made available via a secured website currently located at https://usbtrustgateway.usbank.com/portal/login.do (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, Trustee, Collateral Manager, Initial Purchaser, Hedge Counterparties, Rating Agencies and Holders from time to time). Upon receipt of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify the Irish Stock Exchange of the Principal Amount Outstanding of each Class of Securities after giving effect to the principal payments, if any, on the next Payment Date. The Payment Date Report shall contain the following information:

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the Collateral Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Obligations during such Due Period and (B) the disposal of any Collateral Obligations during such Due Period;

(b) subject to any confidentiality obligations binding on the Issuer, a list of, respectively, the Collateral Obligations and Collateral Enhancement Obligations indicating the Principal Balance and Obligor of each; and

(c) the information required pursuant to "*Monthly Reports — Portfolio*" above.

Securities

(a) the Principal Amount Outstanding of the Securities of each Class and such aggregate amount as a percentage of the original aggregate Principal Amount Outstanding of the Securities of such Class at the beginning of the Accrual Period, the amount of principal payments to be made on the Securities of each Class on the related Payment Date, and the aggregate amount of the Securities of each Class Outstanding and such aggregate amount as a percentage of the original aggregate amount of the Securities 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 Securities (as applicable), including the amount of any Deferred Interest payable on the related Payment Date (in the aggregate and by Class);

(c) the Interest Amount payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on the next Payment Date; and

(d) EURIBOR for the related Due Period and the Floating Rate of Interest applicable to each Class of Rated Notes during the related Due Period.

Payment Date Payments

(a) the amounts payable pursuant to the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Post-Acceleration Priority of Payments (as applicable);

(b) the Trustee Fees and Expenses, the amount of any Collateral Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis; and

(c) any Defaulted Currency Hedge Termination Payments and Defaulted Interest Rate Hedge Termination Payments.

Accounts

(a) the Balance standing to the credit of the Interest Account at the end of the related Due Period;

(b) the Balance standing to the credit of the Principal Account at the end of the related Due Period;

(c) the Balance standing to the credit of the Interest Account immediately after all payments and deposits to be made on the next Payment Date;

(d) the Balance standing to the credit of the Principal Account immediately after all payments and deposits to be made on the next Payment Date;

(e) the amounts payable from the Interest Account through a transfer to the Payment Account pursuant to the Priorities of Payment on such Payment Date;

(f) the amounts payable from the Principal Account through a transfer to the Payment Account pursuant to the Priorities of Payment on such Payment Date;

(g) the amounts payable from any other Accounts (through a transfer to the Payment Account) pursuant to the Priorities of Payment on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;

(h) the 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, Portfolio Profile Tests and Reinvestment Overcollateralisation Test

(a) the information required pursuant to "*Monthly Reports — Coverage Tests, Collateral Quality Tests and Reinvestment Overcollateralisation Test*" above; and

(b) the information required pursuant to "*Monthly Reports — Portfolio Profile Tests*" above.

Hedge Transactions

(a) The information required pursuant to "*Monthly Reports — Hedge Transactions*" above.

Risk Retention

(a) The information required pursuant to "*Monthly Reports – Risk Retention*" above.

CM Voting Notes / CM Non-Voting Exchangeable Notes / CM Non-Voting Notes

(a) The information required pursuant to "*Monthly Reports – CM Voting Notes / CM Non-Voting Exchangeable Notes / CM Non-Voting Notes*" above.

Miscellaneous

Each report shall state that it is for the purposes of information only, that certain information included in the report is estimated, approximated or projected and that it is provided without any representations or warranties as to the accuracy or completeness thereof and that none of the Collateral Administrator, the Trustee, the Issuer 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.

TAX CONSIDERATIONS

1 General

Purchasers of Securities 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 Security.

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

2 Netherlands Taxation

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

Potential purchasers of Notes should note that, with respect to paragraph (b) below, the summary does not describe The Netherlands tax consequences for holders of Notes if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in the Issuer under The Netherlands Income Tax Act 2001 (Wet Inkomstenbelasting 2001). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5.0 per cent. or more of the total issued and outstanding share capital of that company or of 5.0 per cent. or more of the issued and outstanding share capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5.0 per cent. or more of the company's annual profits and/or 5.0 per cent. or more of the company's liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis.

Under the existing laws of The Netherlands:

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

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

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

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

(iii) the holder is an individual and such income or gain qualifies as income from activities that exceed normal active portfolio management in The Netherlands;

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

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

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

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

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

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

3 United States Federal Income Taxation

Introduction

Introduction

This is a discussion of certain U.S. federal income tax consequences of the acquisition, ownership, disposition, and retirement of the Securities. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Holder based on such Holder's particular circumstances, nor does it address any aspect of state, local, or non-U.S. tax laws, alternative minimum tax considerations, the Medicare tax on net investment income or the possible application of U.S. federal gift or estate taxes. In particular, except as expressly set out below, this discussion does not address aspects of U.S. federal income taxation that may be applicable to Holders that are subject to special treatment, including Holders that:

(i) are financial institutions, insurance companies, dealers or traders in securities that use a mark-to-market method of accounting or tax-exempt organisations;

(ii) are certain former citizens or long-term residents of the United States;

(iii) are partnerships or other pass-through entities for U.S. federal income tax purposes;

(iv) hold Securities as part of a "straddle" or "integrated transaction"; or

(v) own or are deemed to own 10.0 per cent. or more, by voting power or value, of the equity of the Issuer (including Participating Term Certificates and any other Securities treated as equity for U.S. federal income tax purposes).

This discussion considers only Holders that will hold Securities as capital assets and U.S. holders whose functional currency is the U.S. dollar. This discussion is generally limited to the tax consequences to initial Holders that purchase Securities upon their initial issue at their initial issue price.

For purposes of this discussion, "**U.S. holder**" means a beneficial owner of a Security that is, for U.S. federal income tax purposes:

(i) citizen or individual resident of the United States;

(ii) a corporation created or organised under the laws of the United States or any political subdivision thereof or therein;

(iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or

(iv) a trust, (i) that validly elects to be treated as a U.S. person for U.S. federal income tax purposes; or (ii)(A) if a court within the U.S. is able to exercise primary supervision over the administration of the trust; and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust.

The term "**non-U.S. holder**" means, for purposes of this discussion, a beneficial owner of the Securities, other than a partnership, that is not a U.S. holder.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds the Securities, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to the consequences of the acquisition, ownership, disposition and retirement of the Securities.

This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), final, temporary and proposed Treasury regulations, and administrative pronouncements and court decisions, each as available and in effect as of the date hereof. All of the foregoing are subject to

change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion. Furthermore, there are no cases or rulings by the U.S. Internal Revenue Service (the "**IRS**") addressing entities similar to the Issuer or securities similar to the Securities. As a result, the IRS might disagree with all or part of the discussion below. No rulings will be requested of the IRS regarding the issues discussed below or the U.S. federal income tax characterisation of the Securities.

Prospective Holders should consult their tax advisor concerning the application of U.S. federal income tax laws, as well as the laws of any state or local taxing jurisdiction, to their particular situation.

U.S. Taxation of the Issuer

The Issuer will be 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 this regard, the Issuer will receive an opinion of Weil, Gotshal & Manges LLP to the effect that, if the Issuer and the Collateral Manager comply with the Transaction Documents, including the tax guidelines appended to the Collateral Management Agreement (the "**Tax Guidelines**"), and certain other assumptions specified in the opinion are satisfied, although no authority exists that deals with situations substantially similar to those of the Issuer, the contemplated activities of the Issuer 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 Tax Guidelines 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 engaged in a U.S. trade or business for U.S. federal income tax purposes. 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 federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis.

If it were determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer would be subject under the Code to the regular U.S. corporate income tax on its effectively connected taxable income (computed possibly without any allowance for deductions), and possibly to a 30% 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 Securities. The balance of this summary assumes that the Issuer is not subject to U.S. federal income tax on its net income.

U.S. Characterisation and U.S. Tax Treatment of the Rated Notes

Characterisation of the Rated Notes. Upon the issuance of the Securities, Weil, Gotshal & Manges LLP will deliver an opinion generally to the effect that under current law, assuming

compliance with the Transaction Documents, and based on certain assumptions and factual representations made by the Issuer and/or the Collateral Manager, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be treated, and the Class E Notes should be treated, as debt of the Issuer for U.S. federal income tax purposes. No opinion will be given in respect of the Class F Notes, although the Issuer intends to treat the Class F Notes as debt of the Issuer for U.S. federal income tax purposes.

The Issuer has agreed and, by its acceptance of a Rated Note, each Holder of a Rated Note (or any interest therein) will be deemed to have agreed, to treat the Rated Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. Nevertheless, the IRS could assert, and a court could ultimately hold, that one or more Classes of Rated Notes, particularly the more junior classes of Rated Notes, are equity in the Issuer. If any Rated Notes were treated as equity interests the U.S. federal income tax consequences of investing in those Rated Notes would be the same as described below with respect to investments in the Participating Term Certificates (including the special and potentially adverse U.S. tax rules applicable to U.S. equity owners in passive foreign investment companies, discussed below). Except as otherwise indicated, the balance of this summary assumes that all of the Rated Notes are treated as debt of the Issuer for U.S. federal income tax purposes. Prospective investors in the Rated Notes should consult their tax advisors regarding the U.S. federal income tax consequences to the Rated Notes and the Issuer in the event such Rated Notes are treated as equity in the Issuer.

U.S. Federal Tax Treatment of U.S. holders of the Rated Notes

Payments of Stated Interest on the Class A Notes, Class B-1 Notes and Class B-2 Notes. A U.S. holder that uses the cash method for U.S. federal income tax purposes and that receives a payment of stated interest on the Class A Notes or Class B Notes will be required to include in income (as ordinary income from sources outside the United States) the U.S. dollar value of the euro interest payment (determined based on the spot rate on the date such payment is received) regardless of whether the payment is in fact converted to U.S. dollars at such time. A cash method U.S. holder will not recognise exchange gain or loss with respect to the receipt of such stated interest.

A U.S. holder that uses the accrual method of accounting for U.S. federal income tax purposes will be required to include in income (as ordinary income from sources outside the United States) the U.S. dollar value of the amount of stated interest income in euros that has accrued with respect to its Class A Notes, Class B-1 Notes and Class B-2 Notes during an accrual period. The U.S. dollar value of such euro denominated accrued stated interest will be determined by translating such amount at the average spot rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average spot rate of exchange for the partial period within each taxable year. An accrual basis U.S. holder may elect, however, to translate such accrued stated interest income into U.S. dollars using the spot rate of exchange on the last day of the interest accrual period or, with respect to an accrual period that spans two taxable years, using the spot rate of exchange on the last day of the taxable year. Alternatively, if the last day of an accrual period is within five business days of the date of receipt of the accrued stated interest, a U.S. holder that has made the election described in the prior sentence may translate such interest using the spot rate of exchange on the date of receipt of the stated interest. The above election will apply to all foreign currency denominated debt instruments held by an electing U.S. holder and may not be changed without the consent of the IRS. U.S. holders should consult their own tax advisors prior to making such an election. A U.S. holder that uses the accrual method of accounting for U.S. federal income tax purposes will recognise exchange gain or loss with respect to accrued stated interest income on the date such interest is received. The amount of exchange gain or loss recognised will equal the difference, if any, between the U.S. dollar value of the euro payment received (determined based on the spot rate on the date such stated interest is received) in respect of such accrual period and the U.S. dollar value of the stated interest income that has accrued during such accrual period (as determined above), regardless of whether the payment is in fact converted to U.S. dollars at such time. Any such exchange gain or loss generally will

constitute ordinary income or loss and be treated, for foreign tax credit purposes, as U.S. source income or loss, and generally not as an adjustment to interest income or expense.

Payments of Stated Interest and OID on the Deferrable Notes; OID on the Class A Notes, Class B-1 Notes and Class B-2 Notes. The Issuer will treat the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (together, the "**Deferrable Notes**") as issued with original issue discount ("**OID**") for U.S. federal income tax purposes. The total amount of OID with respect to a Deferrable Note will equal the sum of all payments to be received under such Deferrable Note less its issue price (the first price at which a substantial amount of Deferrable Notes within the applicable Class was sold to investors). In addition, if the discount at which a substantial amount of the Class A Notes, Class B-1 Notes and Class B-2 Notes is first sold to investors is at least 0.25 per cent. of the principal amount of that Class, multiplied by the number of complete years to the weighted average maturity of the Class, then the Issuer will treat that Class as issued with OID for U.S. federal income tax purposes. The total amount of such discount with respect to a note within the Class will equal the excess of the principal amount of the note over its issue price.

U.S. holders of the Deferrable Notes, or, if issued with OID, the Class A Notes, Class B-1 Notes or Class B-2 Notes will be required to include OID (as ordinary income from sources outside the United States) in advance of the receipt of cash attributable to such income. A U.S. holder of Deferrable Notes, or, if issued with OID, the Class A Notes, Class B-1 Notes and the Class B-2 Notes will be required to include OID in income as it accrues (regardless of the U.S. holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average maturity of the applicable Class rather than its stated maturity. In the case of the Deferrable Notes, or, if issued with OID, the Class A Notes and the Class B-1 Notes, accruals of OID will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of EURIBOR used in setting the interest rate for the first Payment Date, and then adjusting the accrual for each subsequent Payment Date based on the difference between the value of EURIBOR used in setting interest for that subsequent Payment Date and the assumed rate. It is possible, however, that the IRS could assert, and a court could ultimately hold, that some other method of accruing OID on the Deferrable Notes, or, if applicable, the Class A Notes, Class B-1 Notes or Class B-2 Notes should apply.

OID on the Rated Notes will be determined for any accrual period in euros and then translated into U.S. dollars in accordance with either of the two alternative methods described above in the second paragraph under "*Payments of Stated Interest on the Class A Notes, Class B-1 Notes and Class B-2 Notes*". A U.S. holder will recognise exchange gain or loss when OID is paid (including, upon the disposition of a Rated Note, the receipt of proceeds that include amounts attributable to OID previously included in income) to the extent of the difference, if any, between the U.S. dollar value of the euro payment received, determined based on the spot rate on the date such payment is received, and the U.S. dollar value of the accrued OID, as determined in the manner described above. For these purposes, all receipts on a Rated Note will be viewed first, in the case of the Class A Notes, Class B-1 Notes or Class B-2 Notes, if issued with OID, as payments of stated interest payable on the such Rated Note; second, as receipts of previously accrued OID (to the extent thereof), with payments considered made for the earliest accrual periods first; and third, as receipts of principal. Exchange gain or loss generally will constitute ordinary income or loss and be treated as U.S. source income or loss, and generally not as an adjustment to interest income or expense.

Because the OID rules are complex, each U.S. holder of a Rated Note treated as issued with OID should consult with its own tax advisor regarding the acquisition, ownership, and disposition of such Rated Note. Interest on the Rated Notes received by a U.S. holder will generally be treated as foreign source "passive income" for U.S. foreign tax credit purposes, or, in certain cases, "general category income".

Sale, Exchange, Retirement or Other Taxable Disposition of Rated Notes. Upon the sale, exchange, retirement or other taxable disposition of a Rated Note, a U.S. holder generally will recognise gain or loss equal to the difference, if any, between the amount realised upon such disposition (less, in the case of the Class A Notes, Class B-1 Notes or Class B-2 Notes any amount equal to any accrued but unpaid stated interest, which will be taxable as stated interest income as discussed above to the extent not previously included in income by the U.S. holder) and such U.S. holder's adjusted tax basis in the Rated Note.

A U.S. holder's adjusted tax basis in a Rated Note will, in general, be the cost of such Rated Note to such U.S. holder (i) increased by any OID previously accrued by such U.S. holder with respect to such Rated Note and (ii) reduced by all payments received on such Rated Note other than, in the case of the a Class A Notes, Class B-1 Notes or Class B-2 Notes, payments of stated interest. The cost of a Rated Note purchased with foreign currency will generally be the U.S. dollar value of the foreign currency purchase price on the date of purchase, calculated at the exchange rate in effect on that date. If the applicable Rated Note is traded on an established securities market, a cash basis taxpayer (and if it elects, an accrual basis taxpayer) will determine the U.S. dollar value of the cost of the Rated Note at the spot rate on the settlement date of the purchase.

If a U.S. holder receives foreign currency on such a sale, exchange, retirement or other taxable disposition of a Rated Note, the amount realised generally will be based on the U.S. dollar value of such foreign currency translated at the spot rate on the date of disposition. In the case of a Rated Note that is considered to be traded on an established securities market, a cash basis U.S. holder and, if it so elects, an accrual basis U.S. holder, will determine the U.S. dollar value of such foreign currency by translating such amount at the spot rate on the settlement date of the disposition. The special election available to accrual basis U.S. holders in regard to the purchase and disposition of Rated Notes of a Class traded on an established securities market must be applied consistently to all debt instruments held by the U.S. holder and cannot be changed without the consent of the IRS. If the Rated Notes of a Class are not traded on an established securities market (or the relevant holder is an accrual basis U.S. holder that does not make the special settlement date election), a U.S. holder will recognise exchange gain or loss to the extent that there are exchange rate fluctuations between the disposition date and the settlement date, and such gain or loss generally will constitute U.S. source ordinary income or loss.

Gain or loss recognised upon the sale, exchange, retirement or other taxable disposition of a Rated Note that is attributable to fluctuations in currency exchange rates with respect to the principal amount of such Rated Note generally will be U.S. source ordinary income or loss and generally will not be treated as interest income or expense. Gain or loss attributable to fluctuations in currency exchange rates with respect to the principal amount of a Rated Note generally will equal the difference, if any, between the U.S. dollar value of the U.S. holder's foreign currency purchase price for the Rated Note, determined at the spot rate on the date principal is received from the Issuer or the U.S. holder disposes of the Rated Note, and the U.S. dollar value of the U.S. holder's foreign currency purchase price for the Rated Note, determined at the spot rate on the date the U.S. holder purchased such Rated Note. In addition, upon the sale, exchange, retirement or other taxable disposition of a Rated Note, a U.S. holder may recognise exchange gain or loss attributable to amounts received with respect to accrued and unpaid stated interest and accrued OID, if any, which will be treated as discussed above. However, upon a sale, exchange, retirement or other taxable disposition of a Rated Note, a U.S. holder will recognise any exchange gain or loss (including with respect to accrued interest and accrued OID) only to the extent of total gain or loss realised by such U.S. holder on such disposition. Any gain or loss recognised upon the sale, exchange, retirement or other taxable disposition of a Rated Note in excess of exchange gain or loss attributable to such disposition generally will be U.S. source gain or loss and generally will be capital gain or loss. Capital gains of non-corporate U.S. holders (including individuals) derived in respect of capital assets held for more than one year are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

A U.S. holder will recognise exchange gain or loss upon the receipt of principal payments on a Rated Note (prior to maturity) attributable to the fluctuation in currency exchange rates with respect to such principal payment in an amount equal to the difference, if any, between the U.S. dollar value of the U.S. holder's foreign currency purchase price attributable to such principal payment, determined at the spot rate on the date such principal payment is received from the Issuer, and the U.S. dollar value of the U.S. holder's foreign currency purchase price attributable to such principal payment, determined at the spot rate on the date the U.S. holder purchased such Rated Note. Exchange gain or loss generally will constitute ordinary income or loss and be treated as U.S. source income or loss, and generally not as an adjustment to interest income or expense.

Alternate Characterizations. It is possible that one or more Classes of 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 Rated Notes would be treated as ordinary income and not capital gain. In addition, it is possible that one or more Classes of Rated Notes, particularly the Class E Notes and the Class F Notes, may be treated as equity, rather than debt, of the Issuer, in which case such classes of Rated Notes would be treated as described below under "*U.S. Tax Treatment of U.S. Holders of the Participating Term Certificates*" and certain transfer and reporting requirements could apply, as described under "*Transfer and Other Reporting Requirements*" below.

Exchange of Foreign Currencies. A U.S. holder will have a tax basis in any euro received as payment of stated interest, OID or principal, or upon the sale, exchange, retirement or other taxable disposition of a Rated Note equal to the U.S. dollar value thereof at the spot rate of exchange in effect on the date of receipt of the euros. Any gain or loss realised by a U.S. holder on a sale or other disposition of euros, including their exchange for U.S. dollars, will be ordinary income or loss generally not treated as interest income or expense and generally will be income or loss from sources within the United States for U.S. foreign tax credit purposes.

U.S. Tax Treatment of U.S. Holders of the Participating Term Certificates

The Issuer has agreed and, by its acceptance of a Participating Term Certificate, each Holder of a Participating Term Certificate will be deemed to have agreed, to treat all Participating Term Certificates as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by any U.S. governmental authority. If U.S. holders of the Participating Term Certificates were treated as owning debt of the Issuer, the U.S. federal income tax consequences to those U.S. holders would be as described under "*U.S. Federal Tax Treatment of U.S. Holders of the Rated Notes*". The balance of this discussion assumes that the Participating Term Certificates will properly be characterised as equity in the Issuer. Prospective investors should consult their own tax advisors regarding the consequences of acquiring, holding or disposing of the Participating Term Certificates.

Investment in a Passive Foreign Investment Company. A foreign corporation will be classified as a "passive foreign investment company" ("**PFIC**") for U.S. federal income tax purposes if 75.0 per cent. or more of its gross income (including the pro rata share of the gross income of any corporation in which the Issuer is considered to own 25.0 per cent. or more of the shares by value) in a taxable year is passive income. Alternatively, a foreign corporation will be classified as a PFIC if at least 50.0 per cent. of its assets, averaged over the year and generally determined based on fair market value (including the pro rata share of the assets of any corporation in which the Issuer is considered to own 25.0 per cent. or more of the shares by value) are held for the production of, or produce, passive income.

Based on the assets that the Issuer expects to hold and the income anticipated thereon, it is highly likely that the Issuer will be classified as a PFIC for U.S. federal income tax purposes. Accordingly, the following discussion assumes that the Issuer will be a PFIC throughout the term

of the Participating Term Certificates, and U.S. holders of Participating Term Certificates should assume that they will be subject to the U.S. federal income tax consequences described below that result from owning stock in a PFIC (subject to the discussion below under "*Investment in a Controlled Foreign Corporation*").

If the PFIC rules are otherwise applicable, then unless a U.S. holder elects to treat the Issuer as a "qualified electing fund" (as described in the next paragraph), upon certain distributions ("excess distributions") by the Issuer and upon a disposition of the Participating Term Certificates at a gain, the U.S. holder will be liable to pay tax at the highest tax rate on ordinary income in effect for each period to which the income is allocated plus interest on the tax, as if such distributions and gain had been recognised rateably over the U.S. holder's holding period for the Participating Term Certificates. An interest charge is also applied to the deferred tax amount resulting from the deemed rateable distribution.

If a U.S. holder elects to treat the Issuer as a "qualified electing fund" ("QEF") for the first year of its holding period, distributions and gain will not be taxed as if recognised rateably over the U.S. holder's holding period or subject to an interest charge. Instead, a U.S. holder that makes a QEF election is required for each taxable year to include in income the U.S. holder's *pro rata* share of the ordinary earnings of the qualified electing fund as ordinary income and a *pro rata* share of the net capital gain of the qualified electing fund as capital gain, regardless of whether such earnings or gain have in fact been distributed (assuming the discussion below under "Investment in a Controlled Foreign Corporation" does not apply), and subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. In order to comply with the requirements of a QEF election, a U.S. holder must receive from the Issuer certain information ("**QEF Information**"). The Issuer will cause its independent accountants to provide U.S. holders of the Participating Term Certificates, upon request by such U.S. holder and at the Issuer's expense, with the information reasonably available to the Issuer that a U.S. holder would need to make a QEF election.

As a result of the nature of the Collateral Obligations that the Issuer intends to hold, the Issuer may hold investments treated as equity of foreign corporations that are PFICs. In such a case, a U.S. holder would be treated as owning its pro rata share of the stock of the PFIC owned by the Issuer. Such a U.S. holder would be subject to the rules generally applicable to shareholders of PFICs discussed above with respect to distributions received by the Issuer from such PFIC and dispositions by the Issuer of the stock of such PFIC (even though the U.S. holder may not have received the proceeds of such distribution or disposition). Assuming the Issuer receives the necessary information from the PFIC in which it owns stock, U.S. holders may make the QEF election discussed above with respect to the stock of such PFIC at the Issuer's expense (as discussed above). However, no assurance can be given that the Issuer will be able to provide U.S. holders with such information.

Special rules apply to certain regulated investment companies that own interests in PFICs and any such investor should consult with its own tax advisors regarding the consequences to it of acquiring Participating Term Certificates. If the Issuer is a PFIC, each U.S. holder of a Participating Term Certificates must make an annual return on IRS Form 8621, reporting distributions received and gains realised with respect to each PFIC in which the U.S. holder holds a direct or indirect interest. If a U.S. holder does not file Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. holder for the related tax year may not close before the date which is three years after the date on which such report is filed. Prospective investors should consult their own tax advisors regarding the potential application of the PFIC rules.

Investment in a Controlled Foreign Corporation. Depending on the degree of ownership of the Participating Term Certificates and other equity interests in the Issuer by U.S. holders and whether

the Participating Term Certificates are treated as voting securities, the Issuer may constitute a controlled foreign corporation ("**CFC**"). In general, a foreign corporation will constitute a CFC if more than 50.0 per cent. of the shares of the corporation, measured by reference to combined voting power or value, are owned, directly or indirectly, by "**U.S. 10 per cent. Shareholders**". A "**U.S. 10 per cent. Shareholder**", for this purpose, is any U.S. person that owns or is treated as owning under specified attribution rules, 10.0 per cent. or more of the combined voting power of all classes of shares of a foreign corporation. It is possible that the IRS may assert that the Participating Term Certificates should be treated as voting securities, and consequently that the U.S. holders owning Participating Term Certificates so treated, or any combination of such Participating Term Certificates and other voting securities of the Issuer, that constitute 10.0 per cent. or more of the combined voting power of all classes of shares of the Issuer are U.S. 10 per cent. Shareholders and that, assuming more than 50.0 per cent. of the Participating Term Certificates and other voting securities of the Issuer or, more than 50.0 per cent of the value of the Issuer, are held by such U.S. 10 per cent. Shareholders, the Issuer is a CFC.

If the Issuer were treated as a CFC for 30 or more consecutive days in a taxable year, a U.S. 10 per cent. Shareholder of the Issuer would be treated, subject to certain exceptions, as receiving a distribution, taxable as ordinary income at the end of the taxable year of the Issuer in an amount equal to that person's *pro rata* share of the "subpart F income" and investments in U.S. property of the Issuer. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, substantially all of its income would be subpart F income. In addition, special rules apply to determine the appropriate exchange rate to be used to translate such amounts treated as a distribution and the amount of any foreign currency gain or loss with respect to distributions of previously taxed amounts attributable to movements in exchange rates between the times of deemed and actual distributions. The Issuer will cause its independent accountants to provide U.S. holders of the Participating Term Certificates, upon request by such U.S. holder and at the Issuer's expense, with the information reasonably available to the Issuer that a U.S. holder reasonably requests to assist such holder with regard to filing requirements under the CFC rules.

If the Issuer were to constitute a CFC, for the period during which a U.S. holder of Participating Term Certificates is a U.S. 10 per cent. Shareholder of the Issuer, such Holder generally would be taxable on the subpart F income and investments in U.S. property of the Issuer under rules described in the preceding paragraph and not under the PFIC rules previously described. A U.S. holder that is a U.S. 10 per cent. Shareholder of the Issuer subject to the CFC rules for only a portion of the time during which it holds Participating Term Certificates should consult its own tax advisor regarding the interaction of the PFIC and CFC rules.

Unless otherwise noted, the discussion below assumes that the Issuer is not a CFC. U.S. holders should consult their tax advisors regarding these special rules.

Distributions on the Participating Term Certificates. Except to the extent that distributions are attributable to amounts previously taxed pursuant to the CFC rules or a QEF election is made, some or all of any distributions with respect to the Participating Term Certificates may constitute excess distributions, taxable as previously described. Distributions of current or accumulated earnings and profits of the Issuer which are not excess distributions will be taxed as dividends when received. The amount of such income is determined by translating Euro received into U.S. dollars at the spot rate on the date of receipt. A U.S. holder may realise foreign currency gain or loss on a subsequent disposition of the Euro received. Distributions on the Participating Term Certificates will not qualify as "qualified dividend income" and will not be eligible for the dividends received deduction.

Disposition of the Participating Term Certificates. In general, a U.S. holder of a Participating Term Certificate will recognise gain or loss upon the sale or exchange of the Participating Term

Certificate equal to the difference between the amount realised and such Holder's adjusted tax basis in such Participating Term Certificate. Initially, the tax basis of a U.S. holder should equal the amount paid for a Participating Term Certificate. Such basis will be increased by amounts taxable to such Holder by virtue of the QEF or CFC rules (if applicable), and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a non-taxable return of capital. A U.S. holder that receives foreign currency upon the sale or other disposition of the Participating Term Certificate generally will realise an amount equal to the U.S. dollar value of the foreign currency on the date of sale. A U.S. holder will have a tax basis in the foreign currency received equal to the U.S. dollar amount realised. If, however, the Participating Term Certificates are traded on an established securities market, a cash basis U.S. holder or electing accrual basis U.S. holder will determine the amount realised on the settlement date.

Unless a QEF election is made, it is highly likely that any gain realised on the sale or exchange of a Participating Term Certificate will be treated as an excess distribution and taxed as ordinary income under the special tax rules described above (assuming that the PFIC rules apply and not the CFC rules).

Subject to a special limitation for individual U.S. holders that have held the Participating Term Certificates for more than one year, if the Issuer were treated as a CFC and a U.S. holder were treated as a U.S. 10 per cent. Shareholder therein, then any gain realised by such Holder upon the disposition of Participating Term Certificates would be treated as ordinary income to the extent of the U.S. holder's pro rata share of current and accumulated earnings and profits of the Issuer and any of its subsidiaries. In this respect, earnings and profits would not include any amounts previously taxed pursuant to the CFC rules.

Foreign Currency Gain or Loss. A U.S. holder of Participating Term Certificates (or other Securities treated as equity interests in the Issuer) that recognises income from the Participating Term Certificates under the QEF or CFC rules discussed above will recognise exchange gain or loss attributable to movement in foreign exchange rates between the date when it recognised income under those rules and the date when the income actually is distributed. Any such exchange gain or loss will be treated as ordinary income or loss from the same source as the associated income inclusion. A U.S. holder that receives foreign currency upon the sale or other disposition of the Participating Term Certificates generally will realise an amount equal to the U.S. dollar value of the foreign currency on the date of sale or disposition. A U.S. holder will have a tax basis in the foreign currency received equal to the U.S. dollar amount realised. Any gain or loss realised by a U.S. holder on a subsequent disposition of the foreign currency will be exchange gain or loss, generally treated as U.S. source ordinary income or loss.

As a result of the uncertainty regarding the U.S. federal income tax consequences to U.S. holders with respect to the Securities and the complexity of the foregoing rules, each U.S. holder of a Security is urged to consult its own tax advisor regarding the U.S. federal income tax consequences to the Holder of the purchase, ownership and disposition of the Securities.

Transfer and Other Reporting Requirements

In general, U.S. holders who acquire Participating Term Certificates (or any Class of Rated Notes that is recharacterised as equity in the Issuer) for cash may be required to file a Form 926 with the IRS and to supply certain additional information to the IRS if (i) such U.S. holder owns (directly or indirectly) immediately after the transfer, at least 10.0 per cent. by vote or value of the Issuer or (ii) the transfer when aggregated with all related transfers under applicable regulations, exceeds U.S. $100,000. In the event a U.S. holder that is required to file fails to file such form, that U.S. holder could be subject to a penalty of up to U.S. $100,000 (computed as 10.0 per cent. of the gross amount paid for the Participating Term Certificates) or more if the failure to file was due to intentional disregard of its obligation.

In addition, a U.S. holder of Participating Term Certificates (or any Class of Rated Notes that is recharacterised as equity in the Issuer) that owns (actually or constructively) at least 10.0 per cent. by vote or value of the Issuer (and each officer or director of the Issuer that is a U.S. citizen or resident) may be required to file an information return on IRS Form 5471. A U.S. holder of Participating Term Certificates generally is required to provide additional information regarding the Issuer annually on IRS Form 5471 if it owns (actually or constructively) more than 50.0 per cent. by vote or value of the Issuer. U.S. holders should consult their own tax advisors regarding whether they are required to file IRS Form 5471. In the event a U.S. holder that is required to file such form fails to file such form, the U.S. holder could be subject to a penalty of U.S. $10,000 for each such failure to file (in addition to other consequences).

Prospective investors in the Securities should consult with their own tax advisors regarding whether they are required to file IRS Form 8886 in respect of the Securities. Such filing generally will be required if such investors file U.S. federal income tax returns or U.S. federal information returns and recognise losses in excess of a specified threshold, and significant penalties may be imposed on taxpayers that fail to file the form timely. Such filing will also generally be required by a U.S. holder of the Participating Term Certificates if the Issuer both participates in certain types of transactions that are treated as "reportable transactions," such as a transaction in which its loss exceeds a specified threshold, and either (x) such U.S. holder owns 10.0 per cent. or more of the aggregate amount of the Participating Term Certificates and makes a QEF election with respect to the Issuer or (y) the Issuer is treated as a CFC and such U.S. holder is a U.S. 10 per cent. Shareholder (as defined above) of the Issuer. If the Issuer does participate in a reportable transaction, it will make reasonable efforts to make such information available. Significant penalties may be imposed on taxpayers required to file Form 8886 that fail to do so timely.

A U.S. holder that is an individual and that holds certain foreign financial assets must file IRS Form 8938 to report the ownership of such assets if the total value of those assets exceeds the applicable threshold amounts. The threshold varies depending on whether the individual lives in the United States or files a joint income tax return with a spouse. For example, an unmarried U.S. holder living in the United States is required to file IRS Form 8938 if the total value of all specified foreign financial assets is more than U.S. $50,000 on the last day of the tax year or more than U.S. $75,000 at any time during the tax year. U.S. holders in other situations have the same or greater thresholds. In general, specified foreign financial assets include debt or equity interests (that are not regularly traded on an established securities market) issued by foreign financial institutions (such as the Issuer), and any interest in a foreign entity that is not a financial institution, including any stock or security, and any financial instrument or contract held for investment that has an issuer or counterparty that is not a United States person as defined in section 7701(a)(30) of the Code ("**United States person**"). Proposed regulations also would require certain domestic entities that are formed, or availed of, for purposes of holding, directly or indirectly, specified foreign financial assets to file IRS Form 8938. In addition, certain non-resident alien individuals may be required to file IRS Form 8938, notwithstanding the availability of any special treatment under an income tax treaty. In general, such form is not required with respect to assets held through a U.S. payor, such as a U.S. financial institution and U.S. branches of non-U.S. banks, and certain non-U.S. branches or subsidiaries of U.S. financial institutions.

Taxpayers who fail to make the required disclosure with respect to any taxable year are subject to a penalty of U.S. $10,000 for such taxable year, which may be increased to U.S. $50,000 for a continuing failure to file the form after being notified by the IRS. All U.S. holders should consult their tax advisors with respect to whether a Security is a foreign financial asset that (if the applicable threshold were met) would be subject to this rule.

Failure to file IRS Forms 926, 5471, 8621 or 8938, if applicable, will extend the statute of limitations for all or a portion of a taxpayer's related income tax return until at least three years after the date on which the form is filed. Prospective investors in the Securities should consult their own tax advisors concerning any possible disclosure obligations with respect to their ownership or disposition of the Securities in light of their particular circumstances.

U.S. Tax Treatment of Non-U.S. holders of Securities

Subject to the discussions below under "*Information Reporting and Backup Withholding*" and "*Foreign Account Tax Compliance Act*", payments, including interest, OID and any amounts treated as dividends, on a Security to a non-U.S. holder and gain realised on the sale, exchange or retirement of a Security by a non-U.S. holder, will not be subject to U.S. federal income or withholding tax, unless (a) such income is effectively connected with a trade or business conducted by such non-U.S. holder in the United States; or (b) in the case of U.S. federal income tax imposed on gain, such non-U.S. holder is a nonresident alien individual who holds a Security as a capital asset and is present in the United States for 183 days or more in the taxable year of sale and certain other conditions are satisfied.

Information Reporting and Backup Withholding

The amount of interest and principal paid or accrued on the Securities, and the proceeds from the sale of a Security, in each case, paid within the United States or by a U.S. payor or U.S. middleman to a United States person (other than a corporation or other exempt recipient) will be reported to the IRS. Under the Code, a United States person may be subject, under certain circumstances, to "backup withholding tax" with respect to interest and principal on a Security or the gross proceeds from the sale of a Security paid within the United States or by a U.S. middleman or U.S. payor to a United States person. Backup withholding tax generally applies only if the United States person: (a) fails to furnish its social security or other taxpayer identification number within a reasonable time after the request therefore; (b) furnishes an incorrect taxpayer identification number; (c) is notified by the IRS that it has failed to properly report interest OID or dividends; or (d) fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that it has furnished a correct taxpayer identification number and has not been notified by the IRS that it is subject to backup withholding tax for failure to report interest and dividend payments.

Non-U.S. holders or, in certain cases, their beneficial owners may be required to comply with certification procedures to establish that they are not U.S. holders in order to avoid information reporting and backup withholding tax.

Backup withholding is not an additional tax. The amount of any backup withholding collected from a payment will be allowed as a credit against the recipient's U.S. federal income tax liability and may entitle the recipient to a refund, so long as the required information is properly furnished to the IRS. Holders should consult their own tax advisers about any additional reporting requirements that may arise as a result of their purchasing, holding or disposing of Securities.

Foreign Account Tax Compliance Act

Under FATCA, the Issuer may be subject to a 30.0 per cent. withholding tax on certain income, and on the gross proceeds from the sale, maturity, or other disposition of certain of its assets. Under an intergovernmental agreement entered into between the United States and the Netherlands, the Issuer will not be subject to withholding under FATCA if it complies with Dutch administrative guidance that requires the Issuer to provide the name, address, and taxpayer identification number of, and certain other information (including its direct or indirect owners or beneficial owners) with respect to, certain Holders to the Dutch Tax and Customs Administration, which would then provide this information to the IRS. There can be no assurance that the Issuer will be able to comply with this administrative guidance.

If a Holder fails to provide the Issuer or its agents with any correct, complete and accurate information that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the

Issuer, or if the Holder's ownership of any Securities would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Holder, to compel the Holder to sell its Securities, and, if the Holder does not sell its Securities within 30 business days after notice from the Issuer, to sell the Holder's Securities on behalf of the Holder (and such sale could be for less than its then fair market value). See Condition 2(j) (Forced Sale pursuant to FATCA). In the case of Securities held through Euroclear or Clearstream (i.e., a Security represented by a Global Certificate, rather than a Definitive Certificate), a beneficial owner of Securities will be required to provide the required information to the bank or broker through which it holds its Securities, and it is possible that the failure to provide the required information will result in withholding on payments on the Securities or require such bank or broker to close out such owner's account and force the sale of its Securities.

4 EU Directive on the Taxation of Savings Income

Under Council Directive 2003/48/EC (as amended) on the taxation of savings income (the "**Savings Directive**"), member states of the European Union have been required to provide to the tax authorities of other member states details of certain payments of interest or similar income paid or secured by a person established in a member state to or for the benefit of an individual resident in another member state or certain limited types of entities established in another member state.

For a transitional period, Austria has been required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period has been dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

On 10 November 2015, the Council of the European Union adopted a Council Directive repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

If a payment were to be made or collected through a member state of the European Union which operates a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a paying agent in an EU member state that is not obliged to withhold or deduct tax pursuant to, the EU Savings Directive, or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any other law implementing or complying with, or introduced in order to conform to, the Savings Directive or any arrangement entered into between the EU member states and certain third countries and territories in connection with such Directive.

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on "employee benefit plans" subject to the fiduciary responsibility provisions thereof, including entities (such as collective investment funds, insurance company separate accounts and some insurance company general accounts) the underlying assets of which include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of prudence, diversification, and that investments be made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code (collectively, "**Parties in Interest**")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and certain non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to substantially similar rules under Federal, state, local or non-U.S. laws, and may be subject to the prohibited transaction rules of Section 503 of the Code.

Under ERISA and a regulation issued by the United States Department of Labor 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, (the "**Plan Asset Regulation**"), if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established (a) that the entity is an "operating company," as that term is defined in the Plan Asset Regulation, or (b) that less than 25.0 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 (direct or indirect) 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.

For purposes of the Plan Asset Regulation, there is very little published guidance regarding what constitutes a class of equity interest. The Issuer has determined that it will treat the CM Voting Notes, the CM Non-Voting Notes and the CM Non-Voting Exchangeable Notes as separate classes of equity interests for such purpose.

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 exposure to liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the Issuer, 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 some of those providers). In addition, the Issuer might be prevented from engaging in certain transactions or fee arrangements because they might be deemed to constitute non-exempt prohibited transactions and it is not clear that the holding of indicia of ownership requirements under section 404(b) of ERISA would be satisfied in all instances.

The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although it is not free from doubt, the Class A Notes, Class B Notes, the 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 A Notes, Class B Notes, Class C Notes and the 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, the Class F Notes and the Participating Term Certificates for purposes of the Plan Asset Regulation are less certain. The Class E Notes, the Class F Notes and the Participating Term Certificates may be considered "equity interests" for purposes of the Plan Asset Regulation.

Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in such Class E Notes, Class F Notes and the Participating Term Certificates and any interests in such Securities. In reliance on representations made and deemed to be made by investors in the Class E Notes, Class F Notes and the Participating Term Certificates, the Issuer intends to limit investment by Benefit Plan Investors in each of the Class E Notes, the Class F Notes and the Participating Term Certificates to less than 25.0 per cent. of the total value of each class of equity interest (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed) at all times (excluding for purposes of such calculation Class E Notes, the Class F Notes and Participating Term Certificates and interests therein held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E Note, Class F Note or a Participating Term Certificate or an interest in any such Security will be required to make or be deemed to make certain representations regarding its status as a Benefit Plan Investor or Controlling Person and other ERISA matters as described under "Transfer Restrictions" below. No Class E Note, Class F Note or Participating Term Certificate 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 25.0 per cent. or more of the total value of any class of equity interest (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed).

Except as otherwise provided by the Plan Asset Regulation, each Class E Note, Class F Note and Participating Term Certificate (or interests therein) 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 25.0 per cent. Limitation.

Even assuming the Class A Notes, Class B Notes, Class C Notes and the Class D Notes are not treated as equity interests in the Issuer for purposes of ERISA, it is possible that an investment in such Securities 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. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a Party in Interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the plan, provided that there is adequate consideration for the transaction), Prohibited

Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisors regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Securities. 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 Securities 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 Securities to such Plans, whether or not the Securities are treated as equity interests in the Issuer, the purchase of such Securities 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 Securities 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) or the transaction is not otherwise prohibited.

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 Securities with assets of its general account should consider such purchase and the insurance company's ability to make the representations described above in light of John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank, Section 401(c) of ERISA and a regulation promulgated by the U.S. Department of Labor under that Section of ERISA, 29 C.F.R. Section 2550.401c-1.

Each purchaser and transferee of a Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Security 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 Security 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 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 such Securities 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 Securities (or interests therein) does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Securities (or interests therein) to a transferee acquiring such Securities (or interests therein) unless the transferee makes or is deemed to make the foregoing representations, warranties and agreements described in clause (i) hereof.

Each purchaser or transferee of a Class E Note, Class F Note or Participating Term Certificate in the form of a Regulation S Global Note or Certificate or a Rule 144A Global Note or Certificate or any interests in such Securities will be deemed to represent, warrant and agree that, for so long as it holds such Securities or any interest therein (i) it is not, and is not acting on behalf of, a Benefit Plan Investor or Controlling Person, other than a Permitted Controlling Person, unless it receives the written consent of the Issuer (which consent, without limitation, will not be given if such

purchaser or transferee holding such Security would result in a material risk that 25.0 per cent. or more of any class of equity interest (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed) would be deemed to be held by Benefit Plan Investors for the purposes of ERISA) and provides an ERISA certificate substantially in the form of Annex A to the Issuer as to its status as a Benefit Plan Investor or Controlling Person; and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Securities does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA 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 Securities 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 Security (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 Securities does not and will not constitute or result in a non-exempt violation of any Other Plan Law and (3) it agrees and will agree to certain transfer restrictions regarding its interest in such Securities.

Each purchaser or transferee of a Class E Note, Class F Note or Participating Term Certificate in the form of a Definitive Certificate will be required to (i) represent and warrant in writing to the Issuer and the Trustee (1) whether or not, for so long as it holds such Securities or interest therein, it is, or is acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as it holds such Securities or interest therein, it is, or is acting on behalf of, a Controlling Person and (3) that (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Securities does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (b) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Securities or interest therein will not be, subject to Similar Law and (y) its acquisition, holding and disposition of such Securities does not and will not constitute or result in a non-exempt violation of any Other Plan Law, (ii) agree to certain transfer restrictions regarding its interest in such Securities, and (iii) provide a completed ERISA Certificate in or substantially in the form of Annex A to the Issuer.

No transfer of an interest in Class E Notes, Class F Notes or Participating Term Certificates will be permitted or recognised if it would cause the 25.0 per cent. Limitation described above to be exceeded with respect to any class of equity interest (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed).

Any Plan fiduciary considering whether to acquire a Security 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 Securities 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

The following section consists of a summary of certain provisions of the Subscription Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreements.

Deutsche Bank AG, London Branch, in its capacity as Initial Purchaser, has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for and pay each Class of the Securities other than the Retention Securities and certain of the Participating Term Certificates (the "**Subscribed Securities**") pursuant to the Subscription Agreement. The Subscription Agreement entitles the Initial Purchaser to terminate it in certain circumstances prior to payment being made to the Issuer.

The Retention Holder has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Retention Securities at each of their respective issue prices pursuant to the Retention Securities Purchase Agreement. The Retention Securities Purchase Agreement entitles the Retention Holder to terminate it in certain circumstances prior to payment being made to the Issuer.

The relevant purchasers of the Participating Term Certificates have agreed with the Initial Purchaser and the Issuer (as applicable), subject to the satisfaction of certain conditions, to subscribe for all of the Participating Term Certificates each pursuant to a PTC Purchase Agreement.

Each of the Issuer and the Initial Purchaser may offer the Securities 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 Securities.

It is a condition of the issue of the Securities of each Class that the Securities of each other Class be issued in the following principal amounts: Class A Notes: €272,250,000, Class B-1 Notes: €40,500,000, Class B-2 Notes: €10,000,000, Class C Notes: €23,750,000, Class D Notes: €23,750,000, Class E Notes: €29,500,000, Class F Notes: €14,500,000 and Participating Term Certificates: €44,500,000.

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.

No action has been or will be taken by the Issuer, the Collateral Manager or the Initial Purchaser that would permit a public offering of the Securities or possession or distribution of this Offering Circular or any other offering material in relation to the Securities in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Securities, or distribution of this Offering Circular or any other offering material relating to the Securities, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Initial Purchaser.

The Securities have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons or to U.S. Residents except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in the manner so as not to require the registration of the Issuer as an "investment company" pursuant to the Investment Company Act.

The Issuer has been advised that the Initial Purchaser proposes to resell the Subscribed Securities: (a) outside the United States to non-U.S. Persons 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, where each of such purchasers or accountholders is also a QP.

The Regulation S Securities of each Class will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Rule 144A Securities of each Class will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof. Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the Securities are released for sale, the offering price and other selling terms may from time to time be varied by the Initial Purchaser (or its broker-dealer Affiliates).

The Initial Purchaser has acknowledged and agreed that it will not offer, sell or deliver any Regulation S Notes to, or for the account or benefit of, any U.S. Person or U.S. Resident as part of their distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Regulation S Notes a confirmation or other notice setting forth the prohibition on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, any U.S. Person or U.S. Resident.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Securities and for the listing of the Securities of each Class on the Global Exchange Market of the Irish Stock Exchange. The Issuer and the Initial Purchaser reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Securities which may be offered. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Offering Circular to any such U.S. Person or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

The Initial Purchaser has represented and agreed that:

(a) *United Kingdom*: The Initial Purchaser, which is authorised and regulated by the Financial Conduct Authority, has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

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

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

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Securities shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of the Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities s to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, as the same may be varied in that EU member state by any measure implementing the Prospectus Directive in that EU member state and the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

(c) *Austria*: No prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (Kapitalmarktgesetz ("**KMG**")) as amended. Neither this document nor any other document connected therewith constitutes a prospectus according to the Austrian Capital Markets Act and neither this document nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Initial Purchaser. No document pursuant to Directive 2003/71/EC has been or will be drawn up and approved in Austria and no document pursuant to Directive 2003/71/EC has been or will be passported into Austria as the Securities 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 Securities in Austria only in compliance with the provisions of the KMG, and Securities 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.

(d) *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 Securities to the public in Denmark unless in accordance with the Danish Securities Trading Act, Consolidation Act No. 855 of 25 August 2012 as amended from time to time and any Orders issued thereunder.

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

(e) *France*: Any person who is in possession of this Offering Circular is hereby notified that no action has or will be taken that would allow an offering of the Securities in France and neither the Offering Circular nor any offering material relating to the Securities have been submitted to the *Autorité des Marchés Financiers* ("**AMF**") for prior review or approval. Accordingly, the Securities may not be offered, sold, transferred or delivered and neither this Offering Circular nor any offering material relating to the Securities may be distributed or made available (in whole or in part) in France, directly or indirectly, except as permitted by French law and regulation.

The Initial Purchaser has represented and agreed that:

(i) the Securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

(ii) neither this Offering Circular nor any other offering material relating to the Securities has been or will be:

(A) released, issued, distributed or caused to be released, issued or distributed to the public in France; or

(B) used in connection with any offer for subscription or sale of the Securities to the public in France.

(iii) such offers, sales and distributions will be made in France only:

(A) to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), all other than individuals, in each case investing for their own account, all as defined in, and in accordance with, Articles L.411-2, D.411-1, and L.533-20 of the French Code Monétaire et Financier ("**CMF**");

(B) to investment services providers authorised to engage in portfolio management on behalf of third parties; or

(C) in a transaction that, in accordance with Article L.411-2 of the CMF and Article 211-2 of the *Règlement Général* of the AMF, does not constitute a public offer.

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

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

(i) it will not underwrite the issue of, or place the Securities, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;

(ii) it will not underwrite the issue of, or place, the Securities, otherwise than in conformity with the provisions of the Companies Acts 1963 to 2013 (as amended), the Central Bank Acts 1942 to 2014 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and

(iii) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Securities, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

(h) *Netherlands*:

The Securities may only be offered, sold or delivered in The Netherlands to qualified investors (as defined in the Dutch FSA (*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). For the purposes of this provision, the expressions (i) an "offer of Securities to the public" in relation to any Securities in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the section entitled "European Economic Area".

The Participating Term Certificates may not be offered, sold, resold, delivered or transferred other than to "professional market parties" (professionele marktpartijen) within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) that do not qualify as "public" (within the meaning of article 4(1) of the CRR) and the rules promulgated thereunder or any subsequent legislation replacing that regulation, and, if resident or domiciled in The Netherlands, other than to qualified investors within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

(i) *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 Securities or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (lag (1991:980) *om handel med finansiella instrument*).

(j) *Switzerland*: This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Securities described herein. The Securities may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Securities constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the Securities have been or will be filed with or approved by any Swiss regulatory authority. The Securities are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Securities will not benefit from protection or supervision by such authority.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Securities.

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed that such person acknowledges that this Offering Circular is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Securities other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser of Securities represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and each purchaser of Rule 144A Notes represented by Definitive Certificates will be required to represent and agree, as follows:

(1) The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Securities 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 "Notice" 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) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (2) will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a person who meets the foregoing criteria.

(3) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Securities 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 advisor 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 Securities 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 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 issues. Further, the purchaser agrees with respect to itself and each such account: (x) that it shall not hold such Rule 144A Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes; (y) that it shall not sell participation interests in the Rule 144A Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Rule 144A Notes; and (z) that the Rule 144A Notes purchased directly or indirectly by it constitute an investment of no more than 40.0 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 purchase, holding and disposition of any Class A Note, Class B Note, Class C Note or Class D Note, or any interest in such Security (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Security 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 Securities 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 Securities (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Securities (or interests therein) to an acquiror acquiring such Securities (or interests 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 Securities 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 Securities to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(b) (i) With respect to the Class E Notes, Class F Notes and the Participating Term Certificates in the form of a Rule 144A Global Certificate: (i) it is not, and is not acting on behalf of (and for so long as it holds any such Security or interest therein will not be, and will not be acting on behalf of) a Benefit Plan Investor or Controlling Person, other than a Permitted Controlling Person, unless it receives the written consent of the Issuer (which consent, without limitation, will not be given if such purchaser or transferee holding such Security would result in a material risk that 25.0 per cent. or more of any class of equity interest (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed) would be deemed to be held by Benefit Plan Investors for the purposes of ERISA) and provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person; (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Securities will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA 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 Securities or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Securities will not constitute or result in a non-exempt violation of any Other Plan Law; and (iii) it agrees to certain transfer restrictions regarding its interest in such Securities. Any purported transfer of such Securities in violation of the requirements set forth in this paragraph shall be null and void ab initio and the Issuer will have the right to cause the sale of such Securities to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(ii) With respect to acquiring or holding a Class E Note, Class F Note or Participating Term Certificate in the form of a Definitive Certificate (i) (A) whether or not, for so long as it holds such Class E Note, Class F Note or Participating Term Certificate or interest therein, it is, or is acting on behalf of, a Benefit Plan Investor, (B) whether or not, for so long as it holds such Class E Note, Class F Note or Participating Term Certificate or interest therein, it is a Controlling Person and (C) that (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Class E Note, Class F Note or Participating Term Certificate does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (2) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Class E Note, Class F Note or Participating Term Certificate or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Class E Note, Class F Note or Participating Term Certificate does not and will not constitute or result in a non-exempt violation of any Other Plan Law, (ii) that it agrees and will agree to certain transfer restrictions regarding its interest in such Class E Note, Class F Note or Participating Term Certificate, and (iii) that it will provide a completed ERISA Certificate to the Issuer. Any purported transfer of the Class E Note,

Class F Note or Participating Term Certificates in violation of the requirements set forth in this paragraph shall be null and void ab initio and the acquirer understands that the Issuer will have the right to cause the sale of such Class E Note, Class F Note or Participating Term Certificates to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(c) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager and the Collateral Administrator and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(7) In respect of a purchase or transfer of a CM Voting Note, or any interest in such Security, the purchaser or transferee understands that such CM Voting Note carries a right to vote with respect to matters concerning the Collateral Manager as set out in the Conditions and the Collateral Management Agreement.

(8) In respect of a purchase or transfer of a CM Non-Voting Exchangeable Note or CM Non-Voting Note, or any interest in such Security, the purchaser or transferee understands that such CM Non-Voting Exchangeable Note or CM Non-Voting Note does not carry a right to vote with respect to matters concerning the Collateral Manager as set out in the Conditions and the Collateral Management Agreement.

(9) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of, 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 Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Trustee with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE SECURITIES 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 SECURITIES IN RESPECT OF WHICH THIS SECURITY HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE SECURITIES 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, 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), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE 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 SECURITIES 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 SECURITY WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

PRINCIPAL OF THIS SECURITY IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS SECURITY AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS SECURITY MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS SECURITY OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT, FOR SO LONG AS IT HOLDS A SECURITY OR INTEREST THEREIN (I) EITHER (A) IT IS NOT, AND IS NOT 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 SUCH SECURITIES 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 SECURITIES (OR INTERESTS THEREIN) WILL NOT

CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH SECURITIES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH SECURITIES (OR INTERESTS 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 SECURITIES 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 SECURITIES 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 F NOTES AND PARTICIPATING TERM CERTIFICATES IN THE FORM OF RULE 144A GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE OR ANY INTEREST HEREIN WILL BE DEEMED (AND MAY BE REQUIRED) TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, AND FOR SO LONG AS IT HOLDS THIS SECURITY OR ANY INTEREST HEREIN, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON, OTHER THAN A PERMITTED CONTROLLING PERSON, UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE (IN A FORM PROVIDED OR APPROVED BY THE ISSUER) TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH SECURITIES (OR INTERESTS) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE 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 SECURITY 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 SECURITY (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 OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY OR INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I

OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. "**PERMITTED CONTROLLING PERSON**" MEANS APOLLO MANAGEMENT INTERNATIONAL LLP (THE "**COLLATERAL MANAGER**"), ANY AFFILIATE OF THE COLLATERAL MANAGER AND ANY ACCOUNT OR FUND MANAGED BY THE COLLATERAL MANAGER OR ITS AFFILIATES THAT CONSTITUTES A CONTROLLING PERSON; PROVIDED THAT (X) WITH RESPECT TO ANY ACQUISITION OF CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES BY SUCH PERSON, SUCH ACQUISITION WILL NOT CAUSE THE 25.0 PER CENT. LIMITATION TO BE VIOLATED AND (Y) SUCH PERSON HAS PROVIDED ALME LOAN FUNDING IV B.V. AS THE ISSUER, U.S. BANK NATIONAL ASSOCIATION AS TRANSFER AGENT (IN THE CASE OF THE PARTICIPATING TERM CERTIFICATES) AND U.S. BANK TRUSTEES LIMITED AS THE TRUSTEE WITH PRIOR WRITTEN NOTICE OF EACH OF ITS INTENDED ACQUISITIONS OF CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES, AS APPLICABLE. 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 CLASS E NOTES, CLASS F NOTES OR THE PARTICIPATING TERM CERTIFICATES (OR ANY INTEREST IN ANY SUCH SECURITY) IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES (OR INTERESTS IN SUCH SECURITIES) TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25.0 PER CENT. OR MORE OF THE TOTAL VALUE OF ANY CLASS OF EQUITY INTEREST (DETERMINED SEPARATELY BY CLASS AND IN ACCORDANCE WITH THE PLAN ASSET REGULATION AND THE TRUST DEED) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING THE CLASS E NOTES, CLASS F NOTES AND PARTICIPATING TERM CERTIFICATES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**") AS DETERMINED PURSUANT TO REGULATIONS OF THE U.S. DEPARTMENT OF LABOR SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE (OR ANY INTEREST IN ANY SUCH SECURITY) 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 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE OR ANY INTEREST HEREIN WILL BE REQUIRED TO REPRESENT AND WARRANT IN WRITING TO THE TRUSTEE (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS SECURITY OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS SECURITY OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS SECURITY 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 SECURITY (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 OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN

"AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25.0 PER CENT. OR MORE OF THE TOTAL VALUE OF ANY CLASS OF EQUITY INTEREST (DETERMINED SEPARATELY BY CLASS AND IN ACCORDANCE WITH THE PLAN ASSET REGULATION AND THE TRUST DEED) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**") AS DETERMINED PURSUANT TO REGULATIONS OF THE U.S. DEPARTMENT OF LABOR SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE 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 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH SECURITY, INCLUDING U.S. FEDERAL WITHHOLDING OR BACK-UP WITHHOLDING.

EACH HOLDER OF A SECURITY (OR ANY INTEREST THEREIN) INCLUDING ANY TRANSFEREE WILL TIMELY FURNISH THE ISSUER OR ITS AGENTS ANY TAX FORM OR CERTIFICATION (SUCH AS AN APPROPRIATE IRS FORM W-8 OR IRS FORM W-9) THAT THE ISSUER OR ITS AGENTS MAY REASONABLY REQUEST, AND ANY DOCUMENTATION, AGREEMENTS, CERTIFICATION OR

INFORMATION THAT IS REASONABLY REQUESTED BY THE ISSUER OR ITS AGENTS (A) TO PERMIT THE ISSUER OR ITS AGENTS TO MAKE PAYMENTS TO IT WITHOUT, OR AT A REDUCED RATE OF, DEDUCTION OR WITHHOLDING, (B) TO ENABLE THE ISSUER OR ITS AGENTS TO QUALIFY FOR A REDUCED RATE OF WITHHOLDING OR DEDUCTION IN ANY JURISDICTION FROM OR THROUGH WHICH THE ISSUER OR ITS AGENTS RECEIVE PAYMENTS, AND (C) TO ENABLE THE ISSUER OR ITS AGENTS TO SATISFY REPORTING AND OTHER OBLIGATIONS UNDER THE CODE (OR ANY REGULATIONS OR GUIDANCE THEREUNDER) OR ANY OTHER APPLICABLE LAW, AND, UPON REASONABLE REQUEST BY THE ISSUER OR ITS AGENTS OR A CHANGE IN CIRCUMSTANCES OF THE HOLDER OR BENEFICIAL OWNER THAT INVALIDATES ANY FORM PREVIOUSLY PROVIDED BY SUCH PERSON, SHALL UPDATE OR REPLACE SUCH DOCUMENTATION AND INFORMATION IN ACCORDANCE WITH ITS TERMS OR SUBSEQUENT AMENDMENTS, AND ACKNOWLEDGES THAT THE FAILURE TO PROVIDE, UPDATE OR REPLACE ANY SUCH DOCUMENTATION OR INFORMATION MAY RESULT IN THE IMPOSITION OF WITHHOLDING OR BACK-UP WITHHOLDING UPON PAYMENTS TO SUCH HOLDER. AMOUNTS WITHHELD PURSUANT TO APPLICABLE TAX LAWS WILL BE TREATED AS HAVING BEEN PAID TO SUCH HOLDER BY THE ISSUER.

EACH HOLDER OF A SECURITY (OR ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND AGREED TO TREAT THE ISSUER AND THE SECURITIES 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 TO TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY LAW.

[*LEGEND TO BE INCLUDED IN RELATION TO OID NOTES*] THIS SECURITY HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS SECURITY MAY BE OBTAINED BY CONTACTING THE TRUSTEE AT U.S. BANK GLOBAL CORPORATE TRUST SERVICES, 125 OLD BROAD STREET, LONDON EC2N 1AR.

[*LEGEND TO BE INCLUDED IN RELATION TO SECURITIES IN THE FORM OF CM NON-VOTING EXCHANGEABLE NOTES OR CM NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS SECURITY OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH SECURITY 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 A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE SECURITIES IN THE FORM OF CM VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS SECURITY OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH SECURITY 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 A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

(10) The purchaser will not, at any time, offer to buy or offer to sell the Securities 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.

(11) Prospective purchasers are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

(12) Each holder of a Class E Note, Class F Note or Participating Term Certificate if not a "United States person" (as defined in Section 7701(a)(30) of the Code), either:

(a) is not a bank (within the meaning of Section 881(c)(3)(A) of the Code) or an affiliate of a bank; or

(b) (x) will not directly or indirectly own more than 33-1/3%, by value, of the aggregate of the Class E Notes, Class F Notes and Participating Term Certificates, and will not otherwise be related to the Issuer (within the meaning of Treasury regulations section 1.881-3) and (y) has not purchased the such Securities 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 Obligations if the Collateral Obligations were held directly by it); or

(c) 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.

(13) Each holder of a Security (or any interest therein) including any transferee will timely furnish the Issuer or its agents any tax form or certification (such as an appropriate IRS Form W-8 or IRS Form W-9), or any successors to such IRS forms) that the Issuer or its agents may reasonably request, and any documentation, agreements, certification or information that is reasonably requested by the Issuer or its agents (A) to permit the Issuer or its agents to make payments to it without, or at a reduced rate of, deduction or withholding, (B) to enable the Issuer or its agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments, and (C) to enable the Issuer or its agents to satisfy reporting and other obligations under the Code (or any regulations or guidance thereunder) or any other applicable law, and, upon reasonable request by the Issuer, or its agents or a change in circumstances of the holder or beneficial owner that invalidates any form previously provided by such person, shall update or replace such documentation and information in accordance with its terms or subsequent amendments, and acknowledges that the failure to provide, update or replace any such documentation or information may result in the imposition of withholding or back-up withholding upon payments to such holder. Amounts withheld pursuant to applicable tax laws will be treated as having been paid to such holder by the Issuer.

(14) Each holder of a Security (or any interest therein) including any transferee will provide the Issuer, the Trustee or their respective agents with any correct, complete and accurate information that may be required for the Issuer to comply with, and avoid withholding under, FATCA and will take any other actions necessary for the Issuer to comply with, and avoid withholding under, FATCA.

(15) Each holder of a Security (or any interest therein) including any transferee understands and acknowledges that the Issuer has the right, under the Trust Deed, (1) to compel any beneficial owner of an interest in the Securities that fails to comply with the requirements of clause (14) above to sell its interest in such Securities, or may sell such interest on behalf of such owner and (2) to make any amendments to the Trust Deed to enable the

Issuer to comply with FATCA (or any voluntary agreement entered into with a tax authority pursuant thereto).

(16) Each holder of a Security (or any interest therein) understands and acknowledges that the Issuer has the right, under the Conditions of the Securities to withhold up to 30.0 per cent. on all payments made to any beneficial owner of an interest in the Securities that fails to comply with the requirements of clause (14) above.

(17) Each holder of a Security (or any interest therein) will be deemed to have represented and agreed to treat the Issuer and the Securities 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 to take no action inconsistent with such treatment unless required by law.

(18) No purchase or transfer of a Class E Note, Class F Note or Participating Term Certificate in the form of a Definitive Certificate will be recorded or otherwise recognised unless the purchaser or transferee has provided the Issuer and the Trustee with certificates substantially in the form of Annex A hereto.

(19) 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 Securities or may sell such interest in its Securities on behalf of such Non-Permitted Holder or Non-Permitted ERISA Holder.

(20) With respect to the Participating Term Certificates, each holder of such Securities will agree that the Participating Term Certificates may not be offered, sold, resold, delivered or transferred other than to "professional market parties" (*professionele marktpartijen*) within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) that do not qualify as "public" (within the meaning of article 4(1) of the CRR) and the rules promulgated thereunder or any subsequent legislation replacing that regulation, and, if resident or domiciled in The Netherlands, other than to qualified investors within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

(21) Each holder of more than 50 per cent. of the Participating Term Certificates by value, or that is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in US Treasury regulations section 1.1471-5T(i) (or any successor provision)), represents that it will (A) confirm that any member of such expanded affiliated group (assuming that the Issuer is a "participating FFI" within the meaning of US Treasury regulations section 1.1471-1T(b)(91) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any US Treasury regulations promulgated thereunder is either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of US Treasury regulations section 1.1471-4T(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 US Treasury regulations promulgated thereunder is not either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of US Treasury regulations section 1.1471-4T(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided such holder with an express waiver of this requirement.

(22) The purchaser understands and acknowledges that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositaries.

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have made the representations set forth in clauses (3), (4), (6), (7), (8), (10) and (12) through (22) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes and references to Rule 144A shall be deemed to be references to Regulation S) and to have further represented and agreed as follows:

(1) The purchaser is located outside the United States and is not a U.S. Person.

(2) The purchaser understands that the Securities 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 Securities (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Securities (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 Securities will bear a legend set forth below.

THE SECURITIES 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 SECURITIES IN RESPECT OF WHICH THIS SECURITY HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE SECURITIES 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, 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), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE 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 SECURITIES 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 SECURITY WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS SECURITY OR OF PORTIONS OF THIS SECURITY SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS SECURITY IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS SECURITY AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS SECURITY MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS SECURITY OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, AND FOR SO LONG AS IT HOLDS THIS SECURITY OR ANY INTEREST HEREIN, IT 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 SUCH SECURITIES 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 SECURITIES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-

EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH SECURITIES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH SECURITIES (OR INTERESTS 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 SECURITIES 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 SECURITIES 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 F NOTES AND PARTICIPATING TERM CERTIFICATES IN THE FORM OF REGULATION S GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE OR ANY INTEREST HEREIN WILL BE DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, AND FOR SO LONG AS IT HOLDS THIS SECURITY OR ANY INTEREST HEREIN, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON, OTHER THAN A PERMITTED CONTROLLING PERSON, UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE (IN A FORM PROVIDED OR APPROVED BY THE ISSUER) TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH SECURITIES (OR INTERESTS) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE 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 SECURITY 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 SECURITY (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 OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR INTEREST) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF

ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. "**PERMITTED CONTROLLING PERSON**" MEANS APOLLO MANAGEMENT INTERNATIONAL LLP (THE "**COLLATERAL MANAGER**") ANY AFFILIATE OF THE COLLATERAL MANAGER AND ANY ACCOUNT OR FUND MANAGED BY THE COLLATERAL MANAGER OR ITS AFFILIATES THAT CONSITUTES A CONTROLLING PERSON; PROVIDED THAT (X) WITH RESPECT TO ANY ACQUISITON OF CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES BY SUCH PERSON, SUCH ACQUISITION WILL NOT CAUSE THE 25 PER CENT. LIMITATION TO BE VIOLATED AND (Y) SUCH PERSON HAS PROVIDED ALME LOAN FUNDING IV B.V. AS THE ISSUER, U.S. BANK NATIONAL ASSOCIATION AS TRANSFER AGENT (IN THE CASE OF THE PARTICIPATING TERM CERTIFICATES) AND U.S. BANK TRUSTEES LIMITED AS THE TRUSTEE WITH PRIOR WRITTEN NOTICE OF EACH OF ITS INTENDED ACQUISITIONS OF CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES, AS APPLICABLE. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES OR CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES OR ANY INTEREST IN SUCH SECURITIES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES OR CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES OR ANY INTEREST IN SUCH SECURITIES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25.0 PER CENT. OR MORE OF THE TOTAL VALUE OF ANY CLASS OF EQUITY INTEREST (DETERMINED SEPARATELY BY CLASS AND IN ACCORDANCE WITH THE PLAN ASSET REGULATION AND THE TRUST DEED) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**") AS DETERMINED PURSUANT TO REGULATIONS OF THE U.S. DEPARTMENT OF LABOR SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42), OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE OR ANY INTEREST THEREIN 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 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE WILL BE REQUIRED TO REPRESENT AND WARRANT IN WRITING TO THE TRUSTEE (IN A FORM PROVIDED OR APPROVED BY THE TRUSTEE) (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, AND FOR SO LONG AS IT HOLDS THIS SECURITY OR ANY INTEREST HEREIN, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE 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 SECURITY (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 OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES OR ANY INTEREST THEREIN WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE (IN A FORM PROVIDED OR APPROVED BY THE ISSUER) IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A

BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25.0 PER CENT. OR MORE OF THE TOTAL VALUE OF ANY CLASS OF EQUITY INTEREST (DETERMINED SEPARATELY BY CLASS AND IN ACCORDANCE WITH THE PLAN ASSET REGULATION AND THE TRUST DEED) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**") AS DETERMINED PURSUANT TO REGULATIONS OF THE U.S. DEPARTMENT OF LABOR SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR PARTICIPATING TERM CERTIFICATE 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 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTES, CLASS F NOTES OR PARTICIPATING TERM CERTIFICATES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH SECURITY, INCLUDING U.S. FEDERAL WITHHOLDING OR BACK-UP WITHHOLDING.

EACH HOLDER OF A SECURITY (OR ANY INTEREST THEREIN) INCLUDING ANY TRANSFEREE WILL TIMELY FURNISH THE ISSUER OR ITS AGENTS ANY TAX FORM OR CERTIFICATION (SUCH AS AN APPROPRIATE IRS FORM W-8

OR IRS FORM W-9) THAT THE ISSUER OR ITS AGENTS MAY REASONABLY REQUEST, AND ANY DOCUMENTATION, AGREEMENTS, CERTIFICATION OR INFORMATION THAT IS REASONABLY REQUESTED BY THE ISSUER OR ITS AGENTS (A) TO PERMIT THE ISSUER OR ITS AGENTS TO MAKE PAYMENTS TO IT WITHOUT, OR AT A REDUCED RATE OF, DEDUCTION OR WITHHOLDING, (B) TO ENABLE THE ISSUER OR ITS AGENTS TO QUALIFY FOR A REDUCED RATE OF WITHHOLDING OR DEDUCTION IN ANY JURISDICTION FROM OR THROUGH WHICH THE ISSUER OR ITS AGENTS RECEIVE PAYMENTS, AND (C) TO ENABLE THE ISSUER OR ITS AGENTS TO SATISFY REPORTING AND OTHER OBLIGATIONS UNDER THE CODE (OR ANY REGULATIONS OR GUIDANCE THEREUNDER) OR ANY OTHER APPLICABLE LAW, AND, UPON REASONABLE REQUEST BY THE ISSUER OR ITS AGENTS OR A CHANGE IN CIRCUMSTANCES OF THE HOLDER OR BENEFICIAL OWNER THAT INVALIDATES ANY FORM PREVIOUSLY PROVIDED BY SUCH PERSON, SHALL UPDATE OR REPLACE SUCH DOCUMENTATION AND INFORMATION IN ACCORDANCE WITH ITS TERMS OR SUBSEQUENT AMENDMENTS, AND ACKNOWLEDGES THAT THE FAILURE TO PROVIDE, UPDATE OR REPLACE ANY SUCH DOCUMENTATION OR INFORMATION MAY RESULT IN THE IMPOSITION OF WITHHOLDING OR BACK-UP WITHHOLDING UPON PAYMENTS TO SUCH HOLDER. AMOUNTS WITHHELD PURSUANT TO APPLICABLE TAX LAWS WILL BE TREATED AS HAVING BEEN PAID TO SUCH HOLDER BY THE ISSUER.

EACH HOLDER OF A SECURITY (OR ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND AGREED TO TREAT THE ISSUER AND THE SECURITIES 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 TO TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY LAW.

[*LEGEND TO BE INCLUDED IN RELATION TO OID NOTES*] THIS SECURITY HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS SECURITY MAY BE OBTAINED BY CONTACTING THE TRUSTEE AT U.S. BANK GLOBAL CORPORATE TRUST SERVICES, 125 OLD BROAD STREET, LONDON EC2N 1AR.

[*LEGEND TO BE INCLUDED IN RELATION TO SECURITIES IN THE FORM OF CM NON-VOTING EXCHANGEABLE NOTES OR CM NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS SECURITY OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH SECURITY 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 A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES IN THE FORM OF CM VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS SECURITY OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH SECURITY 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 A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

(4) The purchaser acknowledges that the Issuer, the Initial Purchaser, 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.

(5) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons.

(6) Each holder of a Class E Note, Class F Note or Participating Term Certificate if not a "United States person" (as defined in Section 7701(a)(30) of the Code), either:

(a) is not a bank (within the meaning of Section 881(c)(3)(A) of the Code) or an affiliate of a bank; or

(b) (x) will not directly or indirectly own more than 33-1/3%, by value, of the aggregate of the Class E Notes, Class F Notes and Participating Term Certificates, and will not otherwise be related to the Issuer (within the meaning of Treasury regulations section 1.881-3) and (y) has not purchased the such Securities 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 Obligations if the Collateral Obligations were held directly by it); or

(c) 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.

(7) Each holder of more than 50 per cent. of the Participating Term Certificates by value, or that is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in US Treasury regulations section 1.1471-5T(i) (or any successor provision)), represents that it will (A) confirm that any member of such expanded affiliated group (assuming that the Issuer is a "participating FFI" within the meaning of US Treasury regulations section 1.1471-1T(b)(91) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any US Treasury regulations promulgated thereunder is either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of US Treasury regulations section 1.1471-4T(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 US Treasury regulations promulgated thereunder is not either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of US Treasury regulations section 1.1471-4T(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided such holder with an express waiver of this requirement.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

GENERAL INFORMATION

Clearing Systems

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

	Regulation S Notes		Rule 144 A Notes	
	ISIN	Common Code	ISIN	CUSIP Code
Class A CM Voting Notes	XS1323029105	132302910	US00164QAA22	00164QAA2
Class A CM Non-Voting Exchangeable Notes	XS1323029444	132302944	US00164QAB05	00164QAB0
Class A CM Non-Voting Notes	XS1323029287	132302928	US00164QAC87	00164QAC8
Class B-1 CM Voting Notes	XS1323029360	132302936	US00164QAD60	00164QAD6
Class B-1 CM Non-Voting Exchangeable Notes	XS1323029527	132302952	US00164QAE44	00164QAE4
Class B-1 CM Non-Voting Notes	XS1323029790	132302979	US00164QAF19	00164QAF1
Class B-2 CM Voting Notes	XS1323029873	132302987	US00164QAG91	00164QAG9
Class B-2 CM Non-Voting Exchangeable Notes	XS1323030020	132303002	US00164QAH74	00164QAH7
Class B-2 CM Non-Voting Notes	XS1323029956	132302995	US00164QAJ31	00164QAJ3
Class C CM Voting Notes	XS1323030376	132303037	US00164QAK04	00164QAK0
Class C CM Non-Voting Exchangeable Notes	XS1323030293	132303029	US00164QAL86	00164QAL8

	Regulation S Notes		Rule 144 A Notes	
Class C CM Non-Voting Notes	XS1323030459	132303045	US00164QAM69	00164QAM6
Class D CM Voting Notes	XS1323030616	132303061	US00164QAN43	00164QAN4
Class D CM Non-Voting Exchangeable Notes	XS1323030533	132303053	US00164QAP90	00164QAP9
Class D CM Non-Voting Notes	XS1323030707	132303070	US00164QAQ73	00164QAQ7
Class E Notes	XS1323030889	132303088	US00164QAR56	00164QAR5
Class F Notes	XS1323031002	132303100	US00164QAS30	00164QAS3
Participating Term Certificates	XS1323030962	132303096	US00164QAT13	00164QAT1

Listing

Application has been made to the Irish Stock Exchange for the Securities to be admitted to the Official List and trading on the Global Exchange Market which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC. There can be no assurance that any such listing will be maintained. It is expected that the total expenses related to admission to trading will be approximately €10,740.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands (if any) in connection with the issue and performance of the Securities. The issue of the Securities was authorised by resolutions of the board of Managing Directors of the Issuer passed on 11 January 2016.

No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since its incorporation on 23 January 2015 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 23 January 2015.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position.

Accounts

Since the date of its incorporation, 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 Security 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 2015. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis and otherwise promptly on request that no Note Event of Default or Potential Note Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Securities and is not itself seeking admission of the Securities to the Official List of the Irish Stock Exchange or to trading on the Global Exchange Market of the Irish Stock Exchange.

Documents Available

Copies of the following documents may be inspected in electronic format at the registered offices of Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Securities.

(a) the Articles of Association of the Issuer;

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

(c) the Agency Agreement;

(d) the Collateral Management Agreement;

(e) each Monthly Report;

(f) each Payment Date Report;

(g) the Euroclear Security Agreement;

(h) the Risk Retention Letter; and

(i) each Hedge Agreement.

Post Issuance Reporting

The Issuer will provide post-issuance transaction information in relation to the issue of Securities.

Enforceability of Judgments

The Issuer is a private company with limited liability incorporated under the laws of The Netherlands. None of the Managing Directors 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.

INDEX OF DEFINED TERMS

ANNEX A - FORM OF ERISA AND TAX CERTIFICATE

The purpose of this ERISA and Tax Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25.0 per cent. of the value of any class of equity interest (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed) issued by ALME Loan Funding IV B.V. (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 Internal Revenue Code of 1986 (the "**Code**") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "Benefit Plan Investors"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding and disposition of the Class E Notes, the Class F Notes and the Participating Term Certificates. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

If a box is not checked, you are representing and agreeing that the applicable Section does not, and will not, apply to you.

1. ☐ Employee Benefit Plans Subject to ERISA or the Code. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

   Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ Entity Holding Plan Assets. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

   Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25.0 per cent. or more of the 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 25.0 per cent. of the value of any class of equity interest (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed), 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, the Class F Notes or the Participating Term Certificates or interest therein 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 25.0 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 the Trustee of such change, however, we understand and agree that any such notice will not cause the representation made in the previous sentence to be ineffective, to the extent that the 25.0 per cent. Limitation described in the first paragraph of this certificate is exceeded.

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, the Class F Notes or the Participating Term Certificates or any interest therein do not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

6. Not Subject to Similar Law and No Violation of 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 the Security or any 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 Security (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 or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the Class E Notes, the Class F Notes or the Participating Term Certificates do not and will not constitute or result in a non-exempt violation of any law or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

7. ☐ Controlling Person. We are, or we are acting on behalf of any of: (i) the 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 25.0 per cent. of the value of any class of equity interest (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed), the Securities held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

Compelled Disposition. We acknowledge and agree that:

(i) if any representation that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25.0 per cent. Limitation, the Issuer shall, promptly after such discovery (or upon notice from the Trustee if the Trustee makes the discovery (who, in each case, agree to notify the Issuer of such discovery, if any)), 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, the Class F Notes or Participating Term Certificates or interests therein, the Issuer shall have the right, without further notice to us, to sell our Class E Notes, Class F Notes or Participating Term Certificates or our interest in the Class E Notes, the Class F Notes or the Participating Term Certificates 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, the Class F Notes or the Participating Term Certificates 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, the Class F Notes or the Participating Term Certificates, we agree to cooperate with the Issuer to effect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

(vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

Required Notification and Agreement. We hereby agree that we (a) will inform the Trustee of any proposed transfer by us of all or a specified portion of the Class E Notes, the Class F Notes or the Participating Term Certificates or any interest therein 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 likely cause the 25 per cent. Limitation to be exceeded. We hereby agree and acknowledge that after the Trustee effects any permitted transfer of the Class E Notes, the Class F Notes or Participating Term Certificates (or interests therein) owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Trustee shall include such Securities in future calculations of the 25 per cent. Limitation made pursuant hereto unless subsequently notified that such Securities (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

8. 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, the Class F

Notes or the Participating Term Certificates. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer and the Trustee to determine that Benefit Plan Investors own or hold less than 25.0 per cent. of the value of any class of equity interest (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed) upon any subsequent transfer of such class of Securities in accordance with the Trust Deed.

9. Further Acknowledgement and Agreement. We acknowledge and agree that (i) all of the assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, Deutsche Bank AG, London Branch and the Collateral Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, Deutsche Bank AG, London Branch, the Collateral Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of the Class E Notes, the Class F Notes or the Participating Term Certificates by us that is not in accordance with the provisions of this Certificate or that would otherwise cause a violation of the 25.0 per cent. Limitation shall be null and void from the beginning, and of no legal effect.

10. Future Transfer Requirements.

Transferee Letter and its Delivery. We acknowledge and agree that we may not transfer any Class E Notes, the Class F Notes or Participating Term Certificates or interests therein to any person unless the Trustee has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.

Note: Unless you are notified otherwise, the name and address of the Trustee is as follows:

U.S. Bank Trustees Limited, 125 Old Broad Street, Fifth Floor, London, EC2N 1AR.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

[Insert Purchaser's Name]

By:
Name:
Title:
Dated:
This Certificate relates to Euro [●] of Class E Notes/Class F Notes/Participating Term Certificates

REGISTERED OFFICE OF THE ISSUER
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Elavon Financial Services Limited
Block E,
Cherrywood Business Park
Loughlinstown,
Dublin, Ireland

TRUSTEE
U.S. Bank Trustees Limited
125 Old Broad Street, Fifth Floor
London EC2N 1AR

REGISTRAR, TRANSFER AGENT AND U.S. PAYING AGENT
U.S. Bank National Association
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