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 BOTH "QUALIFIED INSTITUTIONAL BUYERS" ("**QIBs**") (AS DEFINED IN RULE 144A ("**RULE 144A**") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**")) IN RELIANCE ON RULE 144A AND "QUALIFIED PURCHASERS" ("**QPs**") FOR THE PURPOSES OF SECTION 3(c)(7) OF THE U.S. 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 THEREOF (EXCEPT IN ACCORDANCE WITH RULE 144A).

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

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

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

BABSON EURO CLO 2015-1 B.V.

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

€206,700,000 Class A-1R Senior Secured Floating Rate Notes due 2029

€5,300,000 Class A-2R Senior Secured Fixed Rate Notes due 2029

€32,600,000 Class B-1R Senior Secured Floating Rate Notes due 2029

€10,600,000 Class B-2R Senior Secured Fixed Rate Notes due 2029

€22,000,000 Class CR Senior Secured Deferrable Floating Rate Notes due 2029

€21,600,000 Class DR Senior Secured Deferrable Floating Rate Notes due 2029

This Offering Circular incorporates the final Offering Circular dated 3 September 2015 (the "**2015 Offering Circular**") relating to the Original Notes (defined below) and this Offering Circular will take precedence to the extent of any inconsistencies between this Offering Circular and the 2015 Offering Circular. Capitalised terms used herein and not otherwise defined shall have the meanings given to such terms in the 2015 Offering Circular. The 2015 Offering Circular is attached hereto as Annex A.

The assets securing the Refinancing Notes (as defined below) will consist of a portfolio of primarily Secured Senior Obligations, Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds managed by Barings (U.K.) Limited (formerly Babson Capital Management (UK) Limited) (the "**Collateral Manager**").

On 8 September 2015 (the "**Original Closing Date**") Babson Euro CLO 2015-1 B.V. (the "**Issuer**") issued the:

Class A-1 Notes (the "**Original Class A-1 Notes**"), the Class A-2 Notes (the "**Original Class A-2 Notes**"), the Class B-1 Notes (the "**Original Class B-1 Notes**"), the Class B-2 Notes (the "**Original Class B-2 Notes**"), the Class C Notes (the "**Original Class C Notes**"), the Class D Notes (the "**Original Class D Notes**" and, together with the Original Class A-1 Notes, the Original Class A-2 Notes, the Original Class B-1 Notes, the Original Class B-2 Notes and the Original Class C Notes, the "**Refinanced Notes**"), the Class A-3 Notes, the Class E Notes and the Class F Notes (the "**Original Rated Notes**") and the Subordinated Notes (collectively referred to herein as the "**Original Notes**"). The Original Notes were issued and secured pursuant to a trust deed (the "**Trust Deed**") dated on or about 8 September 2015 (the "**Original Issue Date**"), made between (amongst others) the Issuer and U.S. Bank Trustees Limited, in its capacity as trustee (the "**Trustee**").

On or about 25 October 2017 (the "**Refinancing Date**" and, with respect to the Refinanced Notes, the "**Redemption Date**") the Issuer will, subject to certain conditions, refinance the Original Class A-1 Notes, the Original Class A-2 Notes, the Original Class B-1 Notes, the Original Class B-2 Notes, the Original Class C Notes and the Original Class D Notes by issuing € 206,700,000 Class A-1R Senior Secured Floating Rate Notes due 2029 (the "**Class A-1 Notes**"), €5,300,000 Class A-2R Senior Secured Fixed Rate Notes due 2029 (the "**Class A-2 Notes**" and together with the Class A-1 Notes, the "**Class A Notes**"), €32,600,000 Class B-1R Senior Secured Floating Rate Notes due 2029 (the "**Class B-1 Notes**"), €10,600,000 Class B-2R Senior Secured Fixed Rate Notes due 2029 (the "**Class B-2 Notes**" and together with the Class B-1 Notes, the "**Class B Notes**"), €22,000,000 Class CR Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class C Notes**") and €21,600,000 Class DR Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class D Notes**" and together with the Class A Notes, the Class B Notes and the Class C Notes, the "**Refinancing Notes**" and, together with the Class A-3 Notes, the Class E Notes and the Class F Notes, the "**Rated Notes**" and the Rated Notes, together with the Subordinated Notes, the "**Notes**").

The Refinancing Notes will be issued and secured pursuant to the Trust Deed as amended and supplemented by a deed of amendment (the "**Deed of Amendment**") dated on or about 25 October 2017 (the "**Issue Date**"), made between (amongst others) the Issuer and the Trustee.

Interest on the Refinancing Notes will be payable quarterly in arrears on 25 January, 25 April, 25 July and 25 October prior to the occurrence of a Frequency Switch Event (as defined herein) and semi-annually in arrears on 25 January and 25 July (where the Payment Date (as defined herein) immediately following the occurrence of a Frequency Switch Event falls in either January or July) or 25 April and 25 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) following the occurrence of a Frequency Switch Event (or, in each case, if such day is not a Business Day (as defined herein), then on the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)) in each year, commencing on 25 January 2018 and ending on the Maturity Date (as defined below) in accordance with the Priorities of Payments described herein.

The Refinancing Notes will be subject to Optional Redemption, Mandatory Redemption and Special Redemption, each as described herein. See Condition 7 *(Redemption and Purchase*) in the 2015 Offering Circular.

See the section entitled "Risk Factors" in the 2015 Offering Circular, and as supplemented in the section entitled "Risk Factors" herein for a discussion of certain factors to be considered in connection with an investment in the Refinancing Notes.

This Offering Circular does not constitute a prospectus for the purposes of Article 5 of Directive 2003/71/EC (as such directive may be amended from time to time) (the "**Prospectus Directive**"). The Issuer is not offering the Refinancing Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Refinancing Notes to be admitted to the Official List (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**"). There can be no assurance that such listing and admission to trading will be maintained. This Offering Circular constitutes the listing particulars (the "**Listing Particulars**") in respect of the admission of the Refinancing Notes to the Official List and to trading on the Global Exchange Market. Application has been made to the Irish Stock Exchange for the approval of this Offering Circular as Listing Particulars. The Listing Particulars will be available in electronic form on the website of the Irish Stock Exchange.

The Refinancing Notes are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral (as defined in the 2015 Offering Circular). The net proceeds of the realisation of the security over the Collateral upon acceleration of the Notes following an Event of Default (as defined in the 2015 Offering Circular) may be insufficient to pay all amounts due on the Refinancing Notes after making payments to other creditors of the Issuer ranking prior thereto or *pari passu* therewith. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets (including the Issuer Dutch Account and the rights of the Issuer under the Issuer Management Agreement (each as defined in the 2015 Offering Circular)) 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*) in the 2015 Offering Circular.

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

The Refinancing Notes are being offered by the Issuer through Goldman Sachs International in its capacity as placement agent of the offering of the Refinancing Notes (the "**Placement Agent**") subject to prior sale, when, as and if delivered to and accepted by the Placement Agent, and to certain conditions. It is expected that delivery of the Refinancing Notes will be made on or about the Issue Date.

Goldman Sachs International
Sole Arranger and Placement Agent

The date of this Offering Circular is 25 October 2017.

The Issuer accepts responsibility for the information contained in this document and, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), 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 – Certain Conflicts of Interest –Collateral Manager " and "Description of the Collateral Manager ". To the best of the knowledge and belief of the Collateral Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Administrator accepts responsibility for the information contained in the section of this document headed "Description of the Collateral Administrator". 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 – Certain Conflicts of Interest –Collateral Manager" and "Description of the Collateral Manager" 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 accept any responsibility for the accuracy and completeness of any information contained in this Offering Circular. The delivery of this Offering Circular at any time does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.

None of the Placement Agent, the Sole Arranger, the Trustee and the Collateral Manager (save in respect of the sections headed "Risk Factors – Certain Conflicts of Interest –Collateral Manager" and "Description of the Collateral Manager "), 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 Placement Agent, the Sole Arranger, 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 Refinancing Notes or their distribution or accepts any responsibility or liability therefor. None of the Placement Agent, the Sole Arranger, 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 Refinancing Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular. None of the Placement Agent, the Sole Arranger, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent, any Hedge Counterparty (in each case other than as specified above) or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Placement Agent, the Sole Arranger, the Collateral Manager, the Collateral Administrator or any other person to subscribe for or purchase any of the Refinancing Notes. The distribution of this Offering Circular and the offering of the Refinancing Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Placement Agent and the Sole Arranger to inform themselves about and to observe any such restrictions. In particular, the communication constituted by this Offering Circular is directed only at persons who (i) are outside the United Kingdom and are offered and accept this Offering Circular in compliance with such restrictions or (ii) are persons falling within Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth in such Order so that Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer

(all such persons together being referred to as "relevant persons"). This communication must not be distributed to, acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. For a description of certain further restrictions on offers and sales of Refinancing Notes and distribution of this Offering Circular, see "Plan of Distribution" and "Transfer Restrictions" (below).

In connection with the issue and sale of the Refinancing Notes, no person is authorised to give any information or to make any representation not contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Placement Agent, the Sole Arranger, 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 any references to "**US Dollar**", "**US dollar**", "**USD**", "**U.S. Dollar**" or "**$**" shall mean the lawful currency of the United States of America.*

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

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

In connection with the issue of the Refinancing Notes, no stabilisation will take place and Goldman Sachs International will not be acting as stabilising manager in respect of the Refinancing Notes.

RETENTION REQUIREMENTS

Each prospective investor in the Refinancing Notes is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with the Retention Requirements. None of the Issuer, the Sole Arranger, the Collateral Manager, the Placement Agent, 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 Refinancing Notes which is subject to the Retention Requirements should consult with its own legal, accounting, regulatory 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 - Regulatory Initiatives*".

The Monthly Reports will include a copy of the confirmation from the Collateral Manager as to the holding of the Retention Notes, which confirmation the Collateral Manager has undertaken, upon request, to provide to the Issuer, the Collateral Administrator and the Trustee on a monthly basis.

U.S. CREDIT RISK RETENTION REQUIREMENTS

The Collateral Manager will represent and undertake to the Placement Agent to hold the Retention Notes on the terms set out in the U.S. Credit Risk Retention Letter.

The Collateral Manager (acting as sponsor) is required under Section 15G of the United States Securities Exchange Act of 1934, as amended (the "**U.S. Credit Risk Retention Requirements**") to ensure that it or its majority-owned affiliate as defined under the U.S. Credit Risk Retention Requirements (a "**Majority-Owned Affiliate**") acquires and retains an economic interest in the credit risk of the interests created by the Issuer on the Issue Date. So long as the U.S. Credit Risk Retention Requirements are applicable, the Collateral Manager intends to satisfy the U.S. Credit Risk Retention Requirements by acquiring an eligible vertical interest (an "**EVI**") equal to not less than five per cent. in each Class of Notes issued by the Issuer on the Issue Date and it will comply with all legal requirements imposed on the "sponsor of a securitization transaction", including without limitation retaining the EVI, in accordance with the U.S. Credit Risk Retention Requirements.

Following acquisition of the EVI on the Issue Date, the Collateral Manager will retain, either directly or through a Majority-Owned Affiliate, the EVI until the later of: (a) the date on which the total principal balance outstanding of the Collateral Obligations has been reduced to 33 per cent. of the total principal balance outstanding of the Collateral Obligations as of the Issue Date, (b) the date on which the total principal balance outstanding of the Notes has been reduced to 33 per cent. of the total principal balance outstanding of the Notes at the Issue Date, or (c) two years after the Issue Date of the Refinancing Notes. The U.S. Credit Risk Retention Requirements impose limitations on the ability of the Collateral Manager (or its Majority-Owned Affiliate) during such period to hedge its risk with respect to the EVI. In addition, any financing obtained by the Collateral Manager (or its Majority-Owned Affiliate) during such period to purchase or carry the EVI that is secured by the EVI must provide for full recourse to the Collateral Manager (or its Majority-Owned Affiliate) and otherwise comply with the U.S. Credit Risk Retention Requirements. The retention, financing and hedging limitations set forth in the U.S. Credit Risk Retention Requirements will not apply to any Notes held by the Collateral Manager that do not constitute part of the EVI. See "Risk Factors – Regulatory Initiatives", "Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence" and "Retention Requirements".

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 prohibited from, among other things, acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to in

the Volcker Rule as covered funds, except as may be permitted by an applicable exclusion or exception from the Volcker Rule. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Full conformance with the Volcker Rule was required from 21 July 2015. In general, there is limited interpretive guidance regarding the Volcker Rule.

Key terms are defined under the Volcker Rule, including "banking entity", "ownership interest", "sponsor" and "covered fund". In particular, "banking entity" is defined to include certain non-U.S. affiliates of U.S. banking entities as well as non-U.S. banking entities that conduct operations in the United States either directly or through branches or affiliates, "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) thereof, (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 or removal of, among others, an investment manager or advisor, general partner or the board of directors of such covered fund. It should be noted that the Subordinated Notes will be characterised as ownership interests in the Issuer for this purpose. It is uncertain whether any of the Refinancing Notes may be similarly characterised as ownership interests. Providing that the right of holders of the Refinancing Notes in respect of the removal of the Collateral Manager and selection of a successor collateral manager shall only be exercisable upon a Collateral Manager Event of Default may not be sufficient to ensure that the Refinancing Notes are not characterised as ownership interests. If the Issuer is deemed to be a covered fund then in the absence of regulatory relief such prohibitions may have adverse effects on the Issuer and the liquidity and value of the Refinancing Notes including limiting the secondary market of the Refinancing Notes and affecting the Issuer's access to liquidity and ability to hedge its exposures.

The Refinancing Notes are issued in subclasses, some of which have voting rights with respect to the removal and replacement of the Collateral Manager and others of which do not possess those rights. Accordingly, U.S. banking institutions and other banking entities investing in those classes of Notes will have the option to invest in subclasses that do not by their terms have a right to remove or replace the Collateral Manager. There can be no assurance, however, that owning the Refinancing Notes of a subclass which by their terms do not have a right to remove or replace the Collateral Manager 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.

Each investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Issuer, the Collateral Manager, the Sole Arranger, the Placement Agent, the Agents, the Trustee, their respective Affiliates or any other person makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Refinancing Notes, now or at any time in the future. See "*Risk Factors – Volcker Rule*" below.

Information as to placement within the United States

The Refinancing Notes of each Class offered pursuant to an exemption from registration under 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 nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), or in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Refinancing Notes of each Class sold outside the United States to non-U.S. Persons in reliance on Regulation S (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 fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Refinancing Notes in definitive certificated form will be issued only in limited circumstances. In each case, purchasers and transferees of the Refinancing Notes will be deemed and in certain circumstances will be required to have made certain representations and agreements. See "*Form of the Notes*", "*Book Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*" in the 2015 Offering Circular.

As at the Issue Date, the Issuer has not been registered under the Investment Company Act in reliance on Section 3(c)(7) of the Investment Company Act. Exemptions or exclusions from registration as an investment company under the Investment Company Act other than those set out in sections 3(c)(1) and 3(c)(7) of the Investment Company Act may be available to the Issuer, but it is unlikely, and there can be no assurance that, any such exemptions or exclusions will be available or that the Issuer will elect to rely on such exemptions. Each purchaser of an interest in the Refinancing Notes (other than a non-U.S. Person outside the U.S.) will be deemed to have represented and agreed that it is a QP and will also be deemed to have made the representations set out in "*Transfer Restrictions*" in the 2015 Offering Circular. The purchaser of any Refinancing Note, by such purchase, agrees that such Refinancing Note is being acquired for its own account and not with a view to distribution (other than in the case of the Placement Agent) 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 as amended and supplemented by the Deed of Amendment 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 Refinancing Notes and the offering thereof described herein, including the merits and risks involved.

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

This Offering Circular has been prepared by the Issuer solely for use in connection with the offering of the Refinancing Notes described herein (the "**Offering**"). Each of the Issuer and the Placement Agent reserves the right to reject any offer to purchase Refinancing Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of any Class of Notes offered hereby. This Offering Circular is personal to each offeree to whom it has been delivered by the Issuer, the Placement Agent or any Affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Refinancing Notes. Distribution of this Offering Circular to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Any reproduction or distribution of this Offering Circular in whole or in part and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the securities offered herein is prohibited.

U.S. INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

PURSUANT TO U.S. INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET OUT HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE MARKETING OF THE SECURITIES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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

Available Information

To permit compliance with the Securities Act in connection with the sale of the Refinancing Notes in reliance on Rule 144A, the Issuer will be required under the Trust Deed, as amended and supplemented by the Deed of Amendment, to furnish upon request to a holder or beneficial owner who is a QIB of a Refinancing Note sold in reliance on Rule 144A or a prospective investor who is a QIB designated by such holder or beneficial owner the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is neither a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. All information made available by the Issuer pursuant to the terms of this paragraph may 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 PLACEMENT AGENT, THE COLLATERAL MANAGER, THE TRUSTEE OR THE COLLATERAL ADMINISTRATOR SPECIFIED HEREIN (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE U.S. SECURITIES ACT 1933, AS AMENDED, AND 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

NONE OF THE ISSUER, ITS OFFICERS OR MANAGING DIRECTORS OR THE COLLATERAL MANAGER OR ITS AFFILIATES WILL REGISTER WITH THE U.S. COMMODITY FUTURES TRADING COMMISSION (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)) IN RESPECT OF THE ISSUER. THE ISSUER (OR THE COLLATERAL MANAGER ON THE ISSUER'S BEHALF) MAY ENTER INTO HEDGE AGREEMENTS ONLY IN RESPECT OF WHICH, PRIOR TO ENTERING INTO SUCH HEDGE AGREEMENT, THE ISSUER HAS OBTAINED LEGAL ADVICE FROM REPUTABLE LEGAL COUNSEL KNOWLEDGEABLE IN SUCH MATTERS TO THE EFFECT THAT THE ISSUER'S ENTRY INTO SUCH HEDGE AGREEMENT WOULD NOT REQUIRE ANY OF THE ISSUER, ITS OFFICERS OR MANAGING DIRECTORS OR THE COLLATERAL MANAGER OR ITS AFFILIATES TO REGISTER WITH THE CFTC AS EITHER A "COMMODITY POOL OPERATOR" OR A "COMMODITY TRADING ADVISOR" (AS SUCH TERMS ARE DEFINED IN THE CEA) IN RESPECT OF THE ISSUER.

THEREFORE, UNLIKE A REGISTERED CPO, THE COLLATERAL MANAGER WOULD NOT BE REQUIRED TO DELIVER A CFTC DISCLOSURE DOCUMENT TO PROSPECTIVE INVESTORS, NOR WOULD IT BE REQUIRED TO PROVIDE INVESTORS WITH CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF CFTC RULES APPLICABLE TO REGISTERED CPOs. THIS OFFERING CIRCULAR HAS NOT BEEN REVIEWED OR APPROVED BY THE CFTC.

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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. It should be read in conjunction with the section entitled "Transaction Overview" in the 2015 Offering Circular. 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 or the 2015 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 Refinancing Notes, see "Risk Factors".

Issuer	Babson Euro CLO 2015-1 B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands.
Collateral Manager	Barings (U.K.) Limited (formerly Babson Capital Management (UK) Limited).
Trustee	U.S. Bank Trustees Limited.
Placement Agent	Goldman Sachs International.
Collateral Administrator	Elavon Financial Services Designated Activity Company.

Notes

Refinancing Notes	Principal Amount	Initial Stated Interest Rate[1]	Alternative Stated Interest Rate[2]	Moody's Ratings of at least[3]	Fitch Ratings of at least[3]	Maturity Date	Initial Offer Price[4]
A-1	€206,700,000	3 month EURIBOR + 0.82%	6 month EURIBOR + 0.82%	"Aaa (sf)"	"AAAsf"	25 October 2029	100.00%
A-2	€5,300,000	1.10%	1.10%	"Aaa (sf)"	"AAAsf"	25 October 2029	100.00%

Refinancing Notes	Principal Amount	Initial Stated Interest Rate[1]	Alternative Stated Interest Rate[2]	Moody's Ratings of at least[3]	Fitch Ratings of at least[3]	Maturity Date	Initial Offer Price[4]
B-1	€32,600,000	3 month EURIBOR + 1.15%	6 month EURIBOR + 1.15%	"Aa2 (sf)"	"AAsf"	25 October 2029	100.00%
B-2	€10,600,000	1.75%	1.75%	"Aa2 (sf)"	"AAsf"	25 October 2029	100.00%
C	€22,000,000	3 month EURIBOR + 1.45%	6 month EURIBOR + 1.45%	"A2 (sf)"	"Asf"	25 October 2029	100.00%
D	€21,600,000	3 month EURIBOR + 2.45%	6 month EURIBOR + 2.45%	"Baa2(sf)	"BBB(sf)"	25 October 2029	100.00%

1. Applicable at all times prior to the occurrence of a Frequency Switch Event, provided that the rate of interest of the Refinancing Notes of each Class for the first interest period will be determined by reference to three month EURIBOR.
2. Applicable at all times following the occurrence of a Frequency Switch Event, provided that the rate of interest of the Refinancing Notes of each Class for the period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date will, if such final Payment Date falls in July 2029, be determined by reference to three month EURIBOR (other than with respect to the Class A-2 Notes and the Class B-2 Notes).
3. The ratings assigned to the Class A Notes and Class B Notes address the timely payment of interest and the ultimate payment of principal. A security rating is not a recommendation to buy, sell or hold the Refinancing Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency. As of the date of this Offering Circular, each of the Rating Agencies is established in the European Union ("EU") and is registered under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation"). As such, each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation.
4. The Placement Agent may offer the Refinancing Notes at other prices as may be negotiated at the time of sale.

Eligible Purchasers

The Refinancing Notes of each Class will be offered:

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

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

Distributions on the Refinancing Notes

Payment Dates

25 January, 25 April, 25 July and 25 October prior to the occurrence of a Frequency Switch Event and on 25 January and 25 July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July) or on 25 April and 25 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) following the occurrence of a Frequency Switch Event, in each year commencing on 25 January 2017 and ending on the Maturity Date (subject to any earlier redemption of the Refinancing Notes and in each case to adjustment for non-Business Days in accordance with the Conditions).

Stated Note Interest

Interest in respect of the Refinancing Notes of each Class will be payable quarterly in arrears prior to the occurrence of a Frequency Switch Event and semi-annually in arrears

	following the occurrence of a Frequency Switch Event, in each case on each Payment Date (with the first Payment Date occurring on 25 January 2017) in accordance with the Interest 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 each of the Class A Notes or the Class B Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payments will constitute an Event of Default if such failure continues for a period of at least five Business Days (or, in the case of administrative error only, at least seven Business Days), save as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*).
Redemption of the Notes	See the section entitled "*Redemption of the Notes*" within the "*Overview*" section in the 2015 Offering Circular, which is amended herein to remove the right for principal payments on the Notes to be made: (a) in whole (with respect to all Classes of Rated Notes) from Refinancing Proceeds at any time prior to the Payment Date in October 2018; and (b) in part by the redemption in whole of one or more of the Class A-1 Notes, the Class A-2 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and/or the Class D Notes from Refinancing Proceeds.
Redemption Prices	The Redemption Price of each Class of Refinancing Notes will be (a) 100 per cent. of the Principal Amount Outstanding of the Refinancing Notes to be redeemed plus (b) accrued and unpaid interest thereon to the day of redemption.
Security for the Refinancing Notes	The Refinancing 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 Refinancing Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of the Issuer Dutch Account and the Issuer Management Agreement. See Condition 4 (*Security*).
Authorised Denominations	The Refinancing Notes offered in reliance on Regulation S will be issued in Minimum Denominations of €100,000 while the Refinancing Notes offered in reliance on Rule 144A will be issued in Minimum Denominations of €250,000 and Authorised Integral Amounts of €1,000 in excess thereof.
Form, Registration and Transfer of the Refinancing Notes	The Regulation S Notes of each Class sold outside the United States to non-U.S. Persons in reliance on Regulation S will be represented on issue by beneficial interests in one or more Regulation S Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Beneficial interests in a Regulation S Global Certificate may at any time be held only

through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*" in the 2015 Offering Circular. Interests in any Regulation S Note may not at any time be held by any U.S. Person or U.S. Resident.

The Rule 144A Notes of each Class sold in reliance on Rule 144A to U.S. Persons, in each case, who are QIBs/QPs will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts, deposited with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg.

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

No beneficial interest in a Rule 144A Global Certificate may be transferred to a person who takes delivery thereof through a Regulation S Global Certificate unless the transferor provides the Transfer Agent with a written certification substantially in the form set out in the Trust Deed as amended and supplemented by the Deed of Amendment 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 as amended and supplemented by the Deed of Amendment and each purchaser thereof shall be deemed to represent that such purchaser is a QP. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person or U.S. Resident. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*" in the 2015 Offering Circular.

Transfers of interests in the Refinancing Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed as amended and supplemented by the Deed of Amendment. See "*Form of the Notes*", "*Book Entry Clearance Procedures*" and "*Transfer Restrictions*" in the 2015 Offering Circular. Each purchaser of Refinancing Notes in making its purchase will make certain acknowledgements, representations and agreements (actual or deemed). See "*Transfer Restrictions*" in the 2015 Offering Circular. The transfer of Refinancing Notes in breach of certain of such representations and agreements will result in affected Refinancing Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*), Condition 2(i) (*Forced Transfer pursuant to ERISA*) and Condition 2(j) (*Forced Transfer pursuant to FATCA*).

Except in the limited circumstances described herein, Notes in definitive, certificated, fully registered form ("**Definitive**

	Certificates") will not be issued in exchange for beneficial interests in either the Regulation S Global Certificates or the Rule 144A Global Certificates. See "*Form of the Notes - Exchange for Definitive Certificates*" in the 2015 Offering Circular.
Governing Law	The Notes, the Trust Deed (as amended and supplemented by the Deed of Amendment), the Collateral Management and Administration Agreement, the Agency and Account Bank Agreement and all other Transaction Documents (save for the Issuer Management Agreement, which is governed by the laws of The Netherlands) are or will be governed by English law.
Listing	Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List and trading on its Global Exchange Market. There can be no assurance that any such approval will be maintained.
Tax Status	See "*Tax Considerations*" below.
Certain ERISA Considerations	See "*Certain ERISA Considerations*" in the 2015 Offering Circular and "*Additional ERISA Considerations*" and "*Transfer Restrictions – Additional Transfer Restrictions*" below.
Withholding Tax	No gross up of any payments will be payable to the Noteholders. See Condition 9 (*Taxation*) in the 2015 Offering Circular.
Retention Requirements	The Retention Notes relating to the Refinancing Notes will be acquired by the Collateral Manager on the Issue Date and, pursuant to the Collateral Management and Administration Agreement, the Collateral Manager will undertake to retain the Retention Notes with the intention of complying with the Retention Requirements and, on the terms set out in the U.S. Credit Risk Retention Letter, the Collateral Manager will represent and undertake to, either directly or through a Majority-Owned Affiliate, acquire (in relation to the Retention Notes relating to the Refinancing Notes) and retain the Retention Notes on the terms set out in the U.S. Credit Risk Retention Letter. See "Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter" and "Risk Factors - Regulatory Initiatives – Risk Retention and Due Diligence" and "Retention Requirements".

RISK FACTORS

An investment in the Refinancing Notes of any Class involves certain risks, including risks relating to the Collateral securing such Refinancing Notes and risks relating to the structure and rights of such Refinancing Notes and the related arrangements. Prospective investors should carefully consider the following factors and the "Risk Factors" in the 2015 Offering Circular, in addition to the matters set forth elsewhere in this Offering Circular and the 2015 Offering Circular, prior to investing in any Refinancing Notes. Terms not defined in this section and not otherwise defined in this Offering Circular have the meanings set out in Condition 1 (Definitions) of the "Terms and Conditions of the Notes" in the 2015 Offering Circular, as amended by this Offering Circular.

1. GENERAL

1.1 United Kingdom Referendum on Membership of the European Union

Prospective investors should note that, pursuant to a referendum held in June 2016 (the "**Referendum**"), the UK has voted to leave the EU and the UK government invoked Article 50 of the Lisbon Treaty relating to withdrawal ("**Article 50**") on 29 March 2017. Under Article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances.

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

Applicability of EU law in the UK

It is at present unclear what type of relationship between the UK and the EU will be established, or at what date (whether by the time when, or after, the UK ceases to be a member of the EU), or what would be the content of such a relationship. It is possible that a new relationship would preserve the applicability of certain EU rules (or equivalent rules) in the UK, and the UK government has indicated that it intends to bring existing EU law into UK law on the date of the UK's exit from the EU in general, subject to certain powers to deal with deficiencies in such retained EU law. The legislation proposed by the UK government to achieve its intentions in this regard, referred to as the European Union (Withdrawal) Bill, remains subject to political negotiation.

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

Regulatory Risk

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

Coming reforms to MiFID pursuant to Directive 2014/65/EU and Regulation 600/2014/EU (collectively referred to as "MiFID II") provide for (among other things) the ability for non-EU investment firms to provide collateral management services in the EU on a cross-border basis and will apply from 3 January 2018. However, in order to qualify to provide collateral management services in the EU on a cross-border basis, non-EU investment firms will be required (i) to be authorised in a third country (A) in respect of which the Commission has adopted an equivalency decision and (B) where ESMA has established cooperation arrangements with the relevant competent authorities, and (ii) to be registered with ESMA to do so. It is not possible to guarantee or predict the timing of any Commission equivalency decision, cooperation arrangements or registration by ESMA and any equivalency determination may be withdrawn.

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

In addition, if the UK were, as a consequence of leaving the EU, in a position where no passporting regime or third country recognition mechanism or, in the case of the following limb (a) only, a Dutch domestic exemption or exception is not in place, then (a) a UK manager such as the Collateral Manager may be unable to rely upon passporting or similar rights in order to continue to provide collateral management services to the Issuer and (b) the Collateral Manager may no longer qualify as a "sponsor" for the purposes of the Retention Requirements and, as a result, not be able to continue to act as Retention Holder to the extent it is required to hold the retention solely as sponsor (even if the Collateral Manager were to remain subject to UK financial services regulation). See 3.2 (Risk Retention and Due Diligence– EU Risk Retention Requirements) below.

Market Risk

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

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

the Obligors, the Portfolio, the Collateral Manager and the other parties to the transaction and could therefore also be materially detrimental to Noteholders.

Exposure to Counterparties

The Issuer will be exposed to a number of counterparties (including in relation to any Assignments, Participations and Hedge Transactions and also each of the Agents) throughout the life of the Refinancing Notes. Investors should note that if the UK does leave the EU, such counterparties may be unable to perform their obligations due to changes in regulation, including the loss of, or changes to, existing regulatory rights to do cross-border business in the EU or, as noted above, the costs of such transactions with such counterparties may increase. In addition, counterparties may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the result of the Referendum, therefore increasing the risk that such counterparties may become unable to fulfil their obligations. Such inability could adversely impact the Issuer and could be materially detrimental to Noteholders.

Ratings actions

Following the result of the Referendum, in 2016 S&P and Fitch each downgraded the UK's sovereign credit rating and each of S&P, Fitch and Moody's has placed such rating on negative outlook, suggesting possible further negative rating action.

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

While the extent and impact of these issues are unknown, investors should be aware that they could have an adverse impact on the Issuer, its service providers, the payment of interest and repayment of principal on the Refinancing Notes and therefore the Noteholders.

1.2 Reliance on Rating Agency Ratings

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

1.3 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, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**Requirements**"). Any of the Issuer, the Placement Agent, the Sole Arranger, the Collateral Manager, or the Trustee could be

requested or required to obtain certain assurances from prospective investors intending to purchase Refinancing Notes and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is expected that the Issuer, the Placement Agent, the Sole Arranger, 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 Placement Agent, the Sole Arranger, 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 Placement Agent, the Sole Arranger, 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 Refinancing Notes. In addition, it is expected that each of the Issuer, the Placement Agent, the Sole Arranger, the Collateral Manager and the Trustee intends to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith. A Noteholder may also be obliged to provide to the Issuer information they may have previously identified or regarded as confidential to satisfy the Issuer's Requirements.

1.4 Third Party Litigation; Limited Funds Available

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

1.5 LIBOR and EURIBOR Reform

Various interest rate benchmarks (including the London Inter-Bank Offered Rate ("**LIBOR**") and the Euro Interbank Offered Rate ("**EURIBOR**")) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented, including Regulation (EU) 2016/1011. In addition, the sustainability of LIBOR has been questioned by the UK Financial Conduct Authority as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. These reforms and other pressures may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Investors should be aware that:

a) any of these changes or any other changes to a relevant interest rate benchmark (including LIBOR or 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;

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

i. such rate of interest will then be determined by the provisions of the affected Collateral Obligation, which may include determination by the relevant calculation agent in its discretion; and

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

c) in the case of a change to EURIBOR, if the EURIBOR benchmarks referenced in Condition 6(f) (*Interest on the Floating Rate Notes*) are discontinued, interest on the Floating Rate Notes will be calculated under Condition 6(f)(B) (*Interest on the Floating Rate Notes*); and

d) the administrator of LIBOR or EURIBOR will not have any involvement in the Collateral Obligations or the Refinancing Notes and may take any actions in respect of LIBOR or EURIBOR, as the case may be, without regard to the effect of such actions on the Collateral Obligations or the Refinancing Notes.

In general, any of the above or any other significant changes to the setting or existence of LIBOR or EURIBOR 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 or EURIBOR rate and (ii) the Refinancing Notes. No assurance may be provided that relevant changes will not be made to LIBOR or EURIBOR and/or that such benchmarks will continue to exist.

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

1.6 Events in the CLO and Leveraged Finance Markets

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

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

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

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

the United States of America, the impact of the economic crisis on the primary market may adversely affect the flexibility of the Collateral Manager to invest and, ultimately, reduce the returns on the Refinancing Notes to investors.

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

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

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

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

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

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

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

sell its Collateral Obligations in the secondary market, including Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations, may be impaired, and (iii) increased illiquidity of the Refinancing Notes because of reduced secondary trading in CLO securities. These additional risks may affect the returns on the Refinancing Notes to investors or otherwise adversely affect Noteholders.

1.8 European Union and Euro Zone Risk

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

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

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

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

2. RELATING TO TAXATION

2.1 EU Financial Transaction Tax

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

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

State or (b) where the financial instrument which is subject to the financial transaction is issued in a Participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions, if it is adopted based on the Commission's Proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets). Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Refinancing Notes and may result in investors receiving less interest or principal than expected in respect of the Refinancing Notes. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Refinancing Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt. There is however uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

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

2.2 FATCA

FATCA imposes an information reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States and gross proceeds from the disposition of property which produces certain U.S. source income, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. The Issuer will be classified as a financial institution for these purposes.

The Issuer will use best efforts to comply with the intergovernmental agreement between the United States and The Netherlands with respect to FATCA (the "**IGA**"), and the Dutch legislation and regulations implementing the IGA (including the required registration with the U.S. Internal Revenue Service ("**IRS**")). If, however, the Issuer fails to comply with the IGA and becomes subject to withholding under FATCA, it would be subject to a 30 per cent. withholding tax on U.S. source interest payments and, beginning in 2019, proceeds from the sale of U.S. Collateral Obligations and, potentially, on payments and proceeds with respect to non-U.S. Collateral Obligations, which could materially affect the Issuer's ability to make payments on the Notes, and could result in a Collateral Tax Event.

The Issuer will require (and other intermediaries through which Notes are held are expected to require) each Noteholder to provide certifications and identifying information about itself and its direct or indirect owners (or beneficial owners) or controlling persons in order to enable the Issuer (or an intermediary) to identify and report on certain Noteholders and certain of the Noteholder's direct and indirect U.S. owners or controlling persons to the IRS or the relevant taxing authority. The Issuer (and intermediaries through which such Notes are held) may also be required to withhold on payments to Noteholders that do not provide the required information, or that are "foreign financial institutions" that are not compliant with, nor exempt from, FATCA. Although certain exceptions to these disclosure requirements could apply, the failure to provide the required information may give the Issuer (or an intermediary) the right to sell the Noteholder's Notes (and such sale could be for less than its then fair market value). See Condition 2(j) (Forced Transfer pursuant to FATCA). Moreover, the Issuer is permitted to make any amendments to the Trust Deed or any other Transaction Document, and the

Trustee shall consent to (without the consent of the Noteholders) such amendment, to enable the Issuer to comply with FATCA. For the purposes of this discussion, the term "Noteholder" includes a beneficial owner of Notes.

If an amount in respect of FATCA were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer, the Principal Paying Agent nor any other person would, pursuant to the Conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Furthermore, any requirement to deduct or withhold such withholding tax would not result in the occurrence of a Note Tax Event pursuant to which the Notes may be subject to early redemption in the manner described in Condition 7(g) (Redemption following Note Tax Event).

2.3 OECD Action Plan on Base Erosion and Profit Shifting

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

In July 2013 the OECD published its Action Plan on 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**").

On 5 October 2015 the OECD released its final recommendations, including in respect of Action 6 and Action 7. On 24 November 2016, more than 100 jurisdictions (including the United Kingdom and The Netherlands) concluded negotiations on a multilateral convention that is intended to implement a number of BEPS related measures swiftly, including Action 6 and Action 7. The multilateral convention opened for signing as of 31 December 2016 and was signed by over 60 jurisdictions (including the United Kingdom and The Netherlands) on 7 June 2017. It enters into force on the first day of the month following the expiration of a period of three calendar months beginning on the date of deposit of the fifth instrument of ratification, acceptance or approval. For signatories who deposit their ratification, acceptance or approval later, the Convention comes into force at the start of the month which is three entire calendar months after such deposit takes place. The date from which provisions of the multilateral convention have effect in relation to a treaty depends on several factors including the type of tax which the article relates to.

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

Action 6

Action 6 is intended to prevent the granting of treaty benefits in inappropriate circumstances. 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. Whether the Issuer will be subject to United Kingdom corporation tax may also depend on whether it can benefit from Articles 5 and 7 of the UK-Netherlands double tax treaty.

The multilateral convention provides for double tax treaties to include a "principal purpose test" ("**PPT**") which would deny a treaty benefit where it is reasonable to conclude, having regard to all relevant facts and circumstances for this purpose, that obtaining that benefit was one of the principal

purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is unclear how a PPT, if adopted, would be applied by either the tax authorities of those jurisdictions from which payments are made to the Issuer or the United Kingdom in relation to the application of Article 5 and 7 of the UK-Netherlands double tax treaty.

The multilateral convention also permits jurisdictions to choose to apply, in addition to the PPT, a "simplified limitation of benefits" rule. This rule would generally deny a treaty benefit to a resident which is not a "qualified person". It is not expected that the Issuer would be a "qualified person" as defined in the multilateral convention. However, the Issuer may nevertheless be able to claim treaty benefits: (i) if persons who would be entitled to equivalent or more favourable treaty benefits were they to own the income or earn the profits of the Issuer directly own at least 75% of the beneficial interests of the Issuer for at least half of the days of any 12 month period that includes the time when the Issuer is claiming the treaty benefit; or (ii) if the Issuer is able to demonstrate to the satisfaction of the relevant tax authority that neither its establishment, acquisition or maintenance, nor the conduct of its operation, had as one of its principal purposes the obtaining of the treaty benefit; or (iii) with respect to an item of income derived from a relevant jurisdiction, if the Issuer is engaged in the "active conduct of a business" in The Netherlands and the income derived from that other jurisdiction emanates from, or is incidental to, that business.

The multilateral convention permits a further degree of flexibility, by allowing jurisdictions to choose to have no PPT at all, but instead to include a "detailed limitation of benefits" rule together with rules to address "conduit financing structures". The multilateral convention does not include language for either, on the basis that jurisdictions that agree to adopt this approach would be required to negotiate bespoke amendments to their double tax treaty bilaterally.

Upon signing the multilateral convention, the United Kingdom and The Netherlands provided a provisional list of expected reservations and notifications to be made pursuant to it. In the United Kingdom list (the "**UK Notification**"), the United Kingdom has not elected to apply the simplified limitation of benefits rule or to allow other jurisdictions to apply it to its treaties. In the equivalent document provided by The Netherlands, it also did not elect to apply the simplified limitation of benefits rule or permit it to be applied by other jurisdictions to its treaties. As a result, the double tax treaties The Netherlands has entered into with the United Kingdom and other jurisdictions are expected to only apply a principal purpose test. It is not clear, however, how this test would be interpreted by the relevant tax authorities. On 24 March 2016, the OECD published a public discussion draft consulting on the treaty entitlement of non-CIV funds (that is, of funds that are not collective investment vehicles). The OECD published a further public discussion draft on 6 January 2017. This work may be relevant to the treaty entitlement of the Issuer. However, the OECD has not yet finalised its position in relation to non-CIV funds, and in any event it is not clear how any such position might be implemented through the multilateral convention otherwise than by the bilateral negotiation of a "detailed limitation of benefits" rule.

Action 7

Action 7 is intended to prevent the artificial avoidance of permanent establishment status. Whether the Issuer will be subject to United Kingdom corporation tax may depend on whether the Collateral Manager is regarded as an agent of independent status for the purpose of Article 5(6) of the UK-Netherlands double tax treaty.

Amendments to be made by the multilateral convention would exclude the Collateral Manager from the definition of an independent agent if it acts exclusively, or almost exclusively, on behalf of enterprises to which it is closely related. A person is closely related to an enterprise if, based on all the relevant facts and circumstances, one has control of the other or both are under the control of the same persons

or enterprises. In any case, a person is considered to be closely related to an enterprise if one possesses directly or indirectly more than 50 per cent of the beneficial interest in the other (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) or if another person possesses directly or indirectly more than 50 per cent of the beneficial interest (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) in the person and the enterprise. It is not clear in what other circumstances "control" might exist.

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

2.4 Dutch Value Added Tax Treatment of the Collateral Management Fees

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

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

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

3. REGULATORY INITIATIVES

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

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

No representation is made as to the proper characterisation of the Refinancing Notes for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to invest in the Refinancing Notes under applicable legal investment or other restrictions or as to the consequences of an investment in the Refinancing Notes for such purposes or under such restrictions. All prospective investors in the Refinancing Notes whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Refinancing Notes will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavourable accounting treatment, capital charges, reserve requirements or other consequences.

3.1 Basel III

The Basel Committee on Banking Supervision ("**BCBS**") has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as "**Basel III**") and has proposed certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio ("**NSFR**")). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (for example the LCR requirements referred to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements referred to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires legislation in each jurisdiction, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (for example as LCR eligible assets or not), may be subject to some level of variation between jurisdictions. It should also be noted that changes to regulatory capital requirements have been introduced for insurance and reinsurance undertakings through jurisdiction specific initiatives, such as the Solvency II framework in the European Union.

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

3.2 Risk Retention and Due Diligence

EU Risk Retention Requirements

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, credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and funds under the Undertakings for Collective Investment in Transferable Securities (Directive 2001/107/EU and 2001/108/EC). Such requirements as they apply to credit institutions and investment firms (pursuant to the CRR Retention Requirements), authorised alternative investment fund managers (pursuant to the AIFMD Retention Requirements) and insurance and re-insurance undertakings (pursuant to the Solvency II 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 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.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Refinancing Notes. 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 Refinancing Notes.

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 Placement Agent, the Sole Arranger, the Collateral Manager, the Trustee nor any of their respective Affiliates makes any representation that the information described above is sufficient in all circumstances for such purposes or any other purpose or that the structure of the Refinancing Notes, the Collateral Manager (including its holding of the Retention Notes) and the transactions described herein are compliant with the EU risk retention and due diligence requirements described above or any other applicable legal or regulatory or other requirements and no such person shall have any liability to any prospective investor or any other person with respect to any deficiency in such information or any failure of the transactions or structure contemplated hereby to comply with or otherwise satisfy such requirements. Any relevant regulator's views with regard to the CRR Retention Requirements may not be based exclusively on technical standards, guidance or other information known at this time.

It should be noted that the European authorities have reached political agreement on two new regulations related to securitisation. The regulations are in the process of being formally adopted and are intended to apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by BCBS (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. While the final texts are not yet available, there will be material differences between the coming new requirements and the current requirements, including with respect to the method of application under the Retention Requirements and the originator entities eligible to retain the required interest. It is expected that securitisations established prior to the application date of 1 January 2019 and that do not involve the issuance of securities (or otherwise involve the creation of a new securitisation position) from that date will remain subject to the current risk retention and due diligence requirements and will not be subject to the revised requirements in general, although this will depend on the specific drafting of the relevant provisions included in the final text.

The compliance position under any adopted and potentially revised requirements of transactions entered into, and of activities undertaken by a party (including an investor), prior to (and, in certain circumstances, on and after) adoption is uncertain. While certain provisions in the legislative proposals suggest that transactions issued prior to the application date of the corresponding regulation would not be subject to the new retention requirements, there can be no assurances as to whether the transactions described herein and any investors in the Refinancing Notes will be affected, if at all, by any change which may be adopted in any final law or regulation (including any regulatory technical standards) relating to the Retention Requirements.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to

them, in addition to any other applicable regulatory requirements with respect to their investment in the Refinancing Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Refinancing Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Refinancing Notes in the secondary market.

To the extent the securitisation regulations referenced in this risk factor impose disclosure or reporting requirements on the Issuer, the Issuer has agreed to assume the costs of compliance with such requirements, which will be paid as Administrative Expenses.

The EU risk retention and due diligence requirements described above and any other changes in the law or regulation, the interpretation or application of any law or regulation or changes in the regulatory capital treatment of the Refinancing Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, may have a negative impact on the price and liquidity of the Refinancing Notes in the secondary market. Without limitation to the foregoing, no assurance can be given that the Retention Requirements, or the interpretation or application thereof, will not change (whether as a result of the legislative proposals put forward by the European Commission or otherwise), and, if any such change is effected, whether such change would affect the regulatory position of current or future investors in the Refinancing Notes. The Retention Holder does not have an obligation to change the quantum or nature of its holding of the Retention Notes due to any future changes in the Retention Requirements or in the interpretation thereof.

With respect to the fulfilment by the Collateral Manager of the requirements of the Retention Requirements, please refer to the section "*Retention Requirements*".

U.S. Risk Retention Requirements

In the United States, on October 21, 2014, the Federal Deposit Insurance Corporation (the "**FDIC**"), the Federal Housing Finance Agency (the "**FHFA**") and the Office of the Comptroller of the Currency (the "**OCC**") adopted a final rule implementing the U.S. Credit Risk Retention Requirements. The following day, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission (the "**SEC**") and the Department of Housing and Urban Development (collectively with the FDIC, FHFA and OCC, the "**Joint Regulators**") adopted the U.S. Credit Risk Retention Requirements. As required by the Dodd-Frank Act, the U.S. Credit Risk Retention Requirements generally require "securitizers" to retain not less than 5 per cent. of the credit risk of the securitization and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Credit Risk Retention Requirements became effective for CLO transactions on 24 December 2016. As described in the section "*Retention Requirements*", the Collateral Manager will hold the required credit risk by acquiring and holding, either directly or through a Majority-Owned Affiliate, an EVI equal to a minimum of 5 per cent. of each Class of Notes issued by the Issuer on the Refinancing Date. If the Collateral Manager fails to retain credit risk in accordance with the U.S. Credit Risk Retention Requirements (regardless of the reason for such failure to comply), the Collateral Manager may be subject to enforcement or other legal action, which could adversely affect the ability of the Collateral Manager to perform its obligations under the Collateral Management and Administration Agreement, and thus the value and liquidity of the Refinancing Notes may be adversely impacted.

3.3 European Market Infrastructure Regulation EU 648/2012

The European Market Infrastructure Regulation EU 648/2012 ("**EMIR**") and its various delegated regulations and technical standards impose a range of obligations on parties to over-the-counter ("**OTC**") derivative contracts according to whether they are "financial counterparties" such as investment firms, alternative investment funds (see 3.4 "Alternative Investment Fund Managers

Directive" below), credit institutions and insurance companies, or other entities which are "non-financial counterparties".

Financial counterparties (as defined in EMIR) will be subject to a general obligation to clear through a duly authorised or recognised central counterparty (the "**clearing obligation**") all "eligible" OTC derivative contracts entered into with other counterparties subject to the clearing obligation. They must also report the details of all derivative contracts to a trade repository (the "**reporting obligation**") and undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures (the "**risk mitigation obligations**").

Non-cleared OTC derivative contracts entered into by financial counterparties must also be marked to market and collateral must be exchanged (the "**margin requirement**"). To the extent that the Issuer becomes a financial counterparty, this may lead to a termination of the Hedge Agreements. Non-financial counterparties (as defined in EMIR) are exempted from the clearing obligation and certain additional risk mitigation obligations (such as the posting of collateral) provided the gross notional value of all OTC derivative contracts entered into by the non-financial counterparty and other non-financial entities within its "group", excluding eligible hedging transactions, does not exceed certain thresholds (set per asset class of OTC derivative contracts). If the Issuer is considered to be a member of a "group" (as defined in EMIR) (which may, for example, potentially be the case if the Issuer is consolidated by a Noteholder as a result of such Noteholder's holding of a significant proportion of the Subordinated Notes) and if the aggregate notional value of derivative contracts entered into by the Issuer and any non-financial counterparties within any such group exceeds the applicable thresholds, the Issuer would be subject to the clearing obligation, or if the relevant contract is not a type required to be cleared, to the risk mitigation obligations, including the margin requirement. Whilst the Hedge Transactions are expected to be treated as eligible hedging transactions and deducted from the total in assessing whether the notional value of OTC derivative contracts entered by the Issuer and/or non-financial entities within its "group" exceeds the applicable thresholds, a regulator may take a different view. If the Issuer exceeds the applicable thresholds and its swaps become subject to mandatory clearing, this may also lead to a termination of the Hedge Agreements or restricting of their terms.

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

Clearing obligation

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

Margin requirements

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

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

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

The Hedge Agreements may also contain early termination events which are based on the application of EMIR and which may allow the relevant Hedge Counterparty to terminate a Hedge Transaction upon the occurrence of an adverse EMIR-related event. The termination of a Hedge Transaction in these circumstances may result in a termination payment being payable by the Issuer. See "Hedging Arrangements" in the 2015 Offering Circular.

If the Issuer were unable to comply with such requirements, it could result in the sale of obligations under any Currency Hedge Transactions and/or termination of relevant Hedge Agreements. Hedge counterparties may also be unable to enter into hedge transactions with the Issuer. This would limit the Issuer's ability to invest in Non-Euro Obligations and put it in breach of its obligation to enter into Currency 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.

The Conditions of the Refinancing Notes allow the Issuer and oblige the Trustee, subject to the provision to the Trustee by the Issuer of a certificate as to such amendments (upon which certification the Trustee will be entitled to conclusively rely without further enquiry and without liability), without the consent of any of the Noteholders, to amend the Transaction Documents and/or the Conditions of the Refinancing Notes to comply with the requirements of EMIR which may become applicable in future.

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

It should also be noted that certain amendments to EMIR are contemplated. In particular, whilst the STS Regulation contemplates that OTC derivative contracts entered into by securitisation special purpose vehicles similar to the Issuer should not be subject to the clearing obligation provided that

certain conditions are met, a proposal published by the European Commission on 4 May 2017 to amend EMIR suggests that securitisation special purpose entities (as defined in EMIR) similar to the Issuer should be reclassified as financial counterparties for the purposes of EMIR. At this time, the extent to which such proposals will be reflected in the final STS Regulation or an amended version of EMIR and the timeline of any applicable changes remain unclear. In addition, any grandfathering provisions regulating the compliance position of swap transactions entered into prior to adoption of any proposed amendments to EMIR is uncertain. No assurances can be given as to the status of the Issuer following any proposed amendments to EMIR which could lead to some or all of the potentially adverse consequences outlined above. Investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respect of the Refinancing Notes.

3.4 Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") introduced authorisation and regulatory requirements for managers of alternative investment funds ("**AIFs**"). If the Issuer were to be considered to be an AIF within the meaning in AIFMD, it would need to be managed by a manager authorised under AIFMD (an "**AIFM**"). The Collateral Manager is not authorised under AIFMD but is authorised under EU Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**"). As the Collateral Manager is not permitted to be authorised under AIFMD and also to conduct certain regulated activities under MiFID, it will not be able to apply for an authorisation under AIFMD unless it gives up its authorisation under MiFID (in which case it may not be able to hold the risk retention as a sponsor as required under the Retention Requirements (see 3.2 "*Risk Retention and Due Diligence – EU Risk Retention Requirements*" above)). 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 with respect to Hedge Transactions and obligations to post margin to any central clearing counterparty or market counterparty. See also 3.3 "*European Market Infrastructure Regulation EU 648/2012*" above.

There is an exemption from the definition of AIF in AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"). The European Securities and Markets Authority ("**ESMA**") has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it.

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

The Conditions of the Refinancing Notes allow the Issuer and oblige the Trustee, subject to the provision to the Trustee by the Issuer of a certificate as to such amendments (upon which certification the Trustee will be entitled to conclusively rely without further enquiry and without liability), without the consent of any of the Noteholders, to amend the Transaction Documents and/or the Conditions of the Refinancing Notes to comply with the requirements of AIFMD which may become applicable at a future date.

3.5 U.S. Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was signed into law on 21 July 2010. The Dodd-Frank Act represents a comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act has required, and will continue to require, many lengthy rulemaking processes resulting in the adoption of a multitude of new regulations applicable to entities which transact business in the U.S. or with U.S. persons outside the U.S.. The Dodd-Frank Act affects many aspects, in the

U.S. and internationally, of the business of the Collateral Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivative contracts and other activities. While many regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, some implementing regulations currently exist only in draft form and are subject to comment and revision, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the Issuer and the businesses of the Collateral Manager and its subsidiaries and affiliates will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect.

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

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.

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

3.6 CFTC Regulations

Pursuant to the Dodd-Frank Act, the Commodity Futures Trading Commission ("**CFTC**") and certain prudential regulators, being (i) the Office of the Comptroller of the Currency; (ii) the Board of Governors of the Federal Reserve System; (iii) the Federal Deposit Insurance Corporation; (iv) the Farm Credit Administration; and (v) the Federal Housing Finance Agency, have promulgated a range of new regulatory requirements 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 or variation margin requirements of any central clearing organisation (with respect to cleared swaps) or initial or variation margin requirements as may otherwise be required with respect to uncleared swaps, (iii) swap reporting and recordkeeping obligations, (iv) reporting obligations and other matters. These new requirements may (x) significantly increase the cost to the Issuer and/or the Collateral Manager of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Obligations, (y) have unforeseen legal consequences on the Issuer or the Collateral Manager or (z) have other material adverse effects on the Issuer or the Noteholders. Furthermore, regulations requiring the posting of variation margin on uncleared swaps entered into by entities such as the Issuer have gone into effect in the United States on 1 March 2017. While transactions existing prior to date are expected to be exempt from such requirement, new Hedge Transactions would be subject to it, as might existing Hedge Transactions that undergo a material amendment, based on guidance provided and positions taken by U.S. regulators in

other contexts. The Transaction Documents as of the Issue Date do not contemplate the Issuer posting variation margin. Accordingly, the application of U.S. regulations to a Hedge Transaction or a proposed Hedge Transaction could have a material, adverse effect on the Issuer's ability to hedge its interest or currency rate exposure, or on the cost of such hedging.

The SEC has also proposed similar rules, but to date its rules have not been finalised.

3.7 Commodity Pool Regulation

The Issuer's ability to enter into Hedge Transactions may cause the Issuer to be a "commodity pool" as defined in the United States Commodity Exchange Act of 1936, as amended ("**CEA**") and the Collateral Manager to be a "commodity pool operator" ("**CPO**") and/or a "commodity trading advisor" (a "**CTA**"), each as defined in the CEA in respect of the Issuer. The CEA, as amended by the Dodd-Frank Act, defines a "commodity pool" to include certain investment vehicles operated for the purpose of trading in "commodity interests" which includes swaps. CPOs and CTAs are subject to regulation by the CFTC and must register with the CFTC unless an exemption from registration is available. Based on applicable CFTC interpretive guidance, the Issuer is not expected to fall within the definition of a "commodity pool" under the CEA and, as such, the Issuer (or the Collateral Manager on the Issuer's behalf) may enter into Hedge Agreements or Hedge Transactions (or any other agreement that would fall within the definition of "swap" as set out in the CEA) following receipt of legal advice from reputable counsel to the effect that none of the Issuer, its directors or officers, the Collateral Manager or any of its or their affiliates or any other person would be required to register as a CPO and/or a CTA with the CFTC with respect to the Issuer.

Notwithstanding the above, in the event that the CFTC guidance referred to above changes or the Issuer engages in one or more activities that might cause it to fall within the definition of a "commodity pool" under the CEA and no exemption from registration is available, registration of the Collateral Manager as a CPO or a CTA may be required before the Issuer (or the Collateral Manager on the Issuer's behalf) may enter into any Hedge Agreement or Hedge Transaction. Registration of the Collateral Manager as a CPO and/or a CTA could cause the Collateral Manager to be subject to extensive compliance and reporting requirements that would involve material costs which may be passed on to the Issuer. The scope of such compliance costs is uncertain but could adversely affect the amount of funds available to make payments on the Refinancing Notes. In addition, in the event an exemption from registration were available and the Collateral Manager elected to file for an exemption, the Collateral Manager would not be required to deliver certain CFTC mandated disclosure documents or a certified annual report to investors or satisfy on-going compliance requirements under Part 4 of the regulations promulgated by the CFTC under the CEA, as would be the case for a registered CPO or CTA. Further, the conditions of such exemption may constrain the extent to which the Issuer may be able to enter into swap transactions. In particular, the limits imposed by such exemptions may prevent the Issuer from entering into a Hedge Transaction that the Collateral Manager believes would be advisable or result in the Issuer incurring financial risks that would have been hedged pursuant to swap transactions absent such limits. In addition, the costs of obtaining and maintaining such exemption will be passed on to the Issuer.

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

and/or CTA registration and the ongoing CPO and/or CTA compliance obligations of the Collateral Manager could exceed, perhaps significantly, the financial risks that are being hedged pursuant to any Hedge Transaction.

3.8 Volcker Rule

Section 619 of the Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**") prevents "banking entities" (a term which includes affiliates of a U.S. banking organisation as well as affiliates of a foreign banking organisation that have a branch or agency office in the U.S., regardless of where such affiliates are located) from, among other things (i) engaging in proprietary trading in financial instruments unless the transaction is excluded from the scope of the rule and (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", certain investment entities referred to in the Volcker Rule as "covered funds", subject to certain exemptions and exclusions. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain transactions with covered funds. Full conformance with the Volcker Rule was required from 21 July 2015.

A "banking entity" is defined to include a banking institution organised in the United States and any of its affiliates, regardless of where such affiliates are located or organised and also includes a banking institution organised outside the United States with a branch or agency office in the U.S. and any of its affiliates, regardless of where such affiliates are located.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment or collateral manager, general partner, trustee, member of a board of directors or similar governing body of the "covered fund".

A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act 1940 (the "**ICA**") but is exempt from registration solely in reliance on either section 3(c)(1) or 3(c)(7) of that Act subject to certain exemptions found in the Volcker Rule's implementing regulations. As the Issuer is expected to be exempt from registration under section 3(c)(7) of the ICA, it is expected that the Issuer would be considered to be a "covered fund".

It should be noted that a commodity pool as defined in the CEA (see 3.7 "Commodity Pool Regulation" above) could, depending on the registration status of its CPO and which CEA exemption is used by its CPO, also fall within the definition of a covered fund as described above.

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

No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Refinancing Notes, and none of the Issuer, the Collateral Manager or the Placement Agent 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 Refinancing Notes, now or at any time in the future. Investors should also conduct their own analysis to determine whether the Issuer is a "covered fund" for their purposes. The holders of any of the Class A-1 Notes, the Class A-2 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes or the Class D Notes in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable 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 "banking entities" subject to the Volcker Rule not being characterised as an "ownership interest" in the Issuer.

Each prospective investor in the Refinancing Notes should independently consider the potential impact of the Volcker Rule in respect of any investment in the Refinancing Notes.

3.9 Flip Clauses

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

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

In the U.S. courts, the U.S. Bankruptcy Court for the Southern District of New York in *Lehman Brothers Special Financing Inc. v. BNY Corporate Trustee Services Limited (In re Lehman Brothers Holdings Inc.)*, Adv. Pro. No. 09-1242-JMP (Bankr. S.D.N.Y. May 20, 2009) examined a flip clause contained in an indenture related to a swap agreement and held that such a provision, which seeks to modify one creditor's position in a priority of payments when that creditor files for bankruptcy, is an unenforceable ipso facto clause under Title 11 of the United States Code (the "**U.S. Bankruptcy Code**"). Judge Peck also found that the Code's safe harbour provisions, which protect certain contractual rights under swap agreements, did not apply to the flip clause because the flip clause provisions were contained in the indenture, and not the swap agreement itself. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". While BNY Corporate Trustee Services Ltd filed a motion for and was granted leave to appeal with the U.S. Bankruptcy Court, the case was settled before the appeal was heard. On 28 June 2016, the U.S. Bankruptcy Court issued a decision in *Lehman Brothers Special Financing Inc. v. Bank of America National Association, et al. Case No. 10-3547 (In re Lehman Brothers Holdings Inc.)*, Chapter 11 Case No. 10-03547 (Bankr S.D.N.Y. June 28, 2016). In this decision, the court held that not all priority of payment provisions would be unenforceable ipso facto clauses under the U.S. Bankruptcy Code. Instead, the court identified two materially distinct approaches to such provisions. Where a counterparty's automatic right to payment priority ahead of the noteholders is "flipped" or modified upon, for example, such counterparty's default under the swap document, the court confirmed that such priority provisions were unenforceable ipso facto clauses. Conversely, the court held that priority provisions where no right of priority is established until after a termination event under the swap documents has occurred were not ipso facto clauses, and, therefore, fully enforceable. Moreover, even where the provisions at issue were ipso facto clauses, the Court found that they were nonetheless enforceable under the Code's safe harbour provisions. Specifically, the Court concluded that priority of distribution was a necessary part of liquidation of a swap agreement, which the safe harbour provisions expressly protect. The Court effectively limited the analysis in the BNY case to cases where the flip provisions are only in an indenture, and do not constitute part of the swap agreement. This judgment highlights the difference in approach taken between U.S. and English law on this subject, although it significantly reduces the practical differences in outcome. Lehman filed a notice of appeal with regards to this decision on 6 February 2017. In addition, there remain several actions in the U.S. commenced by debtors of Lehman Brothers

concerning the enforceability of flip clauses and this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

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

3.10 CRA

CRA Regulation in Europe

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

Additionally, Article 8(c) of CRA3 has introduced a requirement that where an issuer or a related third party intends to solicit a credit rating of a structured finance instruments, it shall obtain two independent ratings for such instruments. Article 8(d) of CRA3 has introduced a requirement that where an issuer or a related third party intends to appoint at least two credit rating agencies to rate the same instrument, the issuer or a related third party shall consider appointing at least one rating agency having less than a 10 per cent. market share among agencies capable of rating that instrument. The Issuer has engaged Moody's and Fitch as independent rating agencies to rate each Class of Rated Notes. The Issuer considered appointing a rating agency with no more than ten per cent. of the total market share but determined not to do so. Investors should consult their legal advisors as to the applicability of CRA3 and any consequence of non-compliance in respect of their investment in the Refinancing Notes.

3.11 Lending

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

Collateral Obligations subject to these local law requirements may restrict the Issuer's ability to purchase the relevant Collateral Obligation or may require it to obtain exposure via a Participation. Moreover, these regulatory considerations may differ depending on the country in which each Obligor is located or domiciled, on the type of Obligor and other considerations. Therefore, at the time when 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 not 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 Refinancing Notes.

3.12 STS Regulation

If, upon entry into force of the EU Commission's proposed simple, transparent and standardised securitisation regulation (the "**STS Regulation**"), the reporting requirements thereunder apply to the Issuer, the Issuer's costs in relation to such compliance and/or amendments will constitute Administrative Expenses.

3.13 EU Bank Recovery and Resolution Directive

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

should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

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

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

The resolution mechanisms under the BRRD correspond closely to those available to the Single Resolution Board (the "**SRB**") and the European Commission under the single resolution mechanism provided for in Regulation (EU) No 806/2014 (the "**SRM Regulation**"). The SRM Regulation applies to participating Member States (including Member States outside the Euro zone that voluntarily participate through a close co-operation agreement). In such jurisdictions, the SRB will take on many of the functions that would otherwise be assigned to national Resolution Authorities by the BRRD. If a Member State outside the Euro zone (such as the UK) has chosen not to participate in the bank single supervisory mechanism, relevant institutions established in such Member State will not be subject to the SRM Regulation, but to the application of the BRRD by the Resolution Authorities. It is possible, on the specific facts of a case, that resolution plans and resolution decisions made by the SRB may differ from the resolution schemes that would have been applied by the Resolution Authorities. Therefore, the way in which a relevant institution is resolved and ultimately the effect of any such resolution on the Issuer and the Noteholders may vary depending on the authority applying the resolution framework.

4. RELATING TO THE NOTES

4.1 Limited Liquidity and Restrictions on Transfer

Neither the Sole Arranger nor the Placement Agent (or any of their Affiliates) is under any obligation to make a market for the Refinancing Notes. The Refinancing Notes are illiquid investments. There can be no assurance that any secondary market for any of the Refinancing Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of such Refinancing Notes. Consequently, a purchaser must be prepared to hold such Refinancing Notes for an indefinite period of time or until the Maturity Date. In addition, no sale, assignment, participation, pledge or transfer of the Refinancing Notes may be effected if, among other things, it would require any of the Issuer or any of its officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Refinancing Notes will not be registered under the Securities Act or any U.S. state securities laws, and the Issuer has no plans, and is under no obligation, to register the Refinancing Notes under the Securities Act. The Refinancing Notes are subject to certain transfer restrictions and can be transferred only to certain transferees. See "*Transfer Restrictions*" in the 2015

Offering Circular. Such restrictions on the transfer of the Refinancing Notes may further limit their liquidity.

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

4.2 Optional Redemption

Reference is made to the section "*Risk Factors – Relating to the Notes - The Notes are subject to Optional Redemption in whole or in part by Class*" in the 2015 Offering Circular. Pursuant to the Conditions, the Rated Notes may not be redeemed in whole from Refinancing Proceeds at any time prior to the Payment Date in October 2018. In addition, the Class A-1 Notes, the Class A-2 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and/or the Class D Notes may not be redeemed in part from Refinancing Proceeds. See Condition 7(b) (*Optional Redemption*).

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

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

4.4 U.S. Tax Characterisation of the Refinancing Notes

Upon the issuance of the Refinancing Notes, Allen & Overy 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 as debt of the Issuer for U.S. federal income tax purposes.

The Issuer has agreed and, by its acceptance of a Refinancing Note, each Noteholder (and any beneficial owners of any interest therein) will be deemed to have agreed to treat the Refinancing Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law and for certain limited purposes. The determination of whether a Refinancing Note will be treated as debt for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Refinancing Note is issued. Prospective investors should be aware that the classification of an instrument as debt or equity is highly factual, and there can be no assurance that the IRS will not seek to characterise as something other than indebtedness any particular Class or Classes of the Refinancing Notes. If any of the Refinancing Notes were treated as equity for U.S. federal income tax purposes, adverse U.S. federal income tax consequences might apply. See "*Tax Considerations - United States Federal Income Taxation - Alternative Characterisation of the Rated Notes*".

5. RELATING TO THE COLLATERAL

5.1 No Placement Agent Role Post-Closing

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

6. CERTAIN CONFLICTS OF INTEREST

6.1 Collateral Manager

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

The Collateral Manager, its Affiliates and their respective clients may invest in obligations that would be appropriate as Collateral Obligations. Such investments may be different from those made on behalf of the Issuer. The Collateral Manager and/or its Affiliates may also have ongoing relationships with, render services to or engage in transactions with other clients, including other issuers of collateralised loan obligations and collateralised debt obligations, who invest in assets of a similar nature to those of the Issuer, and with companies whose securities or loans are acquired by the Issuer as Collateral Obligations and may own equity or debt securities issued by Obligors of Collateral Obligations.

As a result, officers or Affiliates of the Collateral Manager may possess information relating to Obligors of Collateral Obligations that is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral Obligations and performing the other obligations under the Collateral Management and Administration Agreement. The Collateral Manager will be required to act under the Collateral Management and Administration Agreement with respect to any information within its possession only if such information was known or should reasonably have been known to those employees of the Collateral Manager responsible for performing the obligations of the Collateral Manager thereunder and only if such information is not deemed by the Collateral Manager to be confidential or non-public or subject to other limitations on its use. The Collateral Manager is not otherwise obligated to share such information. Furthermore, the Collateral Manager and its Affiliates may, in the conduct of their respective businesses, receive or become aware of price sensitive information which is not generally available to the public that may restrict the Collateral Manager from purchasing or selling securities for itself or its clients (including the Issuer) or otherwise using such information for the benefit of its clients or itself. The Collateral Management and Administration Agreement contains provisions which provide that the Collateral Manager may refrain from purchases or sales thereunder of Collateral Obligations in acting in relation to the administration of the Portfolio in circumstances where it or any of its Affiliates are in receipt of price sensitive information and where in the opinion of the Collateral Manager investment by the Collateral Manager on behalf of the Issuer might breach the provisions of insider dealing legislation or laws to which it or the Issuer are subject.

The Collateral Manager serves, and expects in the future to serve, as collateral manager or advisor or sub-advisor for other collateralised loan obligation vehicles and/or collateralised bond obligation vehicles (or the like) and other clients who invest in assets of a nature similar to those of the Issuer. The terms of these arrangements, including the fees attributable thereto, may differ significantly from those of the Issuer. In particular, certain investment vehicles and accounts managed by the Collateral Manager may provide for fees (including incentive fees) to the Collateral Manager that are higher than

the Collateral Management Fees payable by the Issuer under the Collateral Management and Administration Agreement. In addition, Affiliates and clients of the Collateral Manager may invest in securities or loans that are senior to, or have interests different from or adverse to, the securities and loans that are acquired by the Issuer as Collateral Obligations. The Collateral Manager and/or its Affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for its respective account, the Issuer, any similar entity for which it serves as manager or advisor and for its clients or Affiliates. Subject to the requirements of the governing instruments pertaining to the Collateral Manager or its Affiliates, investment opportunities sourced by the Collateral Manager will generally be allocated to the Issuer in a manner that the Collateral Manager believes, in its reasonable business judgement, to be appropriate given factors that it believes to be relevant. Such factors may include the investment objectives, liquidity, diversification, lender covenants and other limitations of the Issuer and the Collateral Manager or other Affiliates or clients and the amount of funds each of them has available for such investment. If the Issuer and another account managed by the Collateral Manager should purchase or sell the same securities or loans at the same time, the Collateral Manager anticipates that such purchases or sales, respectively, will be aggregated and allocated. The Collateral Manager intends to use its reasonable efforts to allocate such investment among its accounts in an equitable manner and in accordance with applicable law.

In addition, an Affiliate of the Collateral Manager serves as investment adviser to two registered funds (the "**Registered Funds**") that, pursuant to the terms of the 17(d) Order, must be given an opportunity to co-invest in certain private placements which Massachusetts Mutual Life Insurance Company ("**MassMutual**") or its Affiliates intend to make. Because of the Issuer's relationship with the Collateral Manager, the Issuer may only co-invest with the Registered Funds pursuant to the terms of the 17(d) Order. See "Investment Company Act Order" below.

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 that may have investment policies similar to those followed by the Collateral Manager with respect to the Collateral Obligations and which may own securities of the same class, or of the same type, as the Collateral Obligations, Eligible Investments or Equity Securities or other securities of the Obligors of Collateral Obligations, Eligible Investments or Equity Securities. The Collateral Manager and its Affiliates will be free, in their sole discretion, to make recommendations to others, or effect transactions on behalf of themselves or for others, which may be the same as or different from those it effects on behalf of the Issuer. Neither the Collateral Manager nor any of its Affiliates is under any obligation to offer investment opportunities of which they become aware to the Issuer or to account to the Issuer for (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by them from any such transaction or to inform the Issuer of any investments before offering any investments to other funds or accounts that the Collateral Manager and/or its Affiliates manage or advise. The Collateral Manager and/or its Affiliates may make an investment on behalf of any account that they manage or advise without offering the investment opportunity to, or making any investment on behalf of, the Issuer. Furthermore, Affiliates of the Collateral Manager may make an investment on their own behalf without offering the investment opportunity to the Issuer, or the Collateral Manager on behalf of the Issuer. Affirmative obligations may exist or may arise in the future whereby Affiliates of the Collateral Manager are obligated to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Collateral Manager offering those investments to the Issuer. The Collateral Manager may make investments on behalf of the Issuer in securities, or other assets, that it has declined to invest in for its own account, the account of any of its Affiliates or the account of its other clients. The Collateral Manager will endeavour to resolve conflicts arising therefrom in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law.

Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management and Administration Agreement and in accordance with reasonable commercial standards,

the staff may have conflicts in allocating their time and services among the Issuer and the Collateral Manager's other accounts.

The Collateral Management and Administration Agreement places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Obligations on which the Notes are secured and the Collateral Manager is required to comply with these restrictions. Accordingly, during certain periods or in certain specified circumstances, the Collateral Manager may be unable to buy or sell obligations contained in the Portfolio or to take other actions which it might consider in the best interests of the Issuer and the Noteholders, as a result of the restrictions set out in the Collateral Management and Administration Agreement.

On the Issue Date, the Collateral Manager will purchase the Retention Notes relating to the Refinancing Notes, in addition to the Retention Notes already acquired, and another Collateral Manager Related Party has purchased certain other Notes. The Collateral Manager and/or its Affiliates may from time to time hold other Notes of any Class. Any Notes held by or on behalf of a Collateral Manager Related Party will have no voting rights with respect to any vote (or written direction or consent) in connection with any CM Replacement Resolution or CM Removal Resolution, other than in respect of the relevant Class of such Notes where the replacement of the Collateral Manager follows its resignation as Collateral Manager pursuant to the Collateral Management and Administration Agreement. However, any Notes held by a Collateral Manager Related Party will have voting rights (including in respect of written directions and consents) with respect to all other matters as to which Noteholders are entitled to vote and, in exercising such vote, such Collateral Manager Related Party may act in its sole interests, which may be adverse to the interests of other Noteholders.

The Issuer may invest in obligations of issuers in which the Collateral Manager and/or its Affiliates have a debt, equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Collateral Manager's, its Affiliates' and their clients' own investments in such companies. The Collateral Manager and/or its Affiliates may act as an underwriter, arranger or placement agent, or otherwise participate in the origination, structuring, negotiation, syndication or offering of Collateral Obligations purchased by the Issuer.

The Collateral Manager, on behalf of the Issuer, may also from time to time purchase obligations from itself or its Affiliates or a Collateral Manager Related Party or sell obligations to itself or its Affiliates or a Collateral Manager Related Party. It may not always be possible for the Collateral Manager to obtain the current market price for such obligations because market quotations for particular obligations may not be generally available. In such circumstances, the Collateral Manager is entitled to determine the price of such obligations in its discretion, provided that it does so in good faith.

The Issuer will deal with the Collateral Manager and Affiliates of the Collateral Manager on an arm's length basis and anticipates that the commissions, mark-ups and mark-downs charged by the Collateral Manager or its Affiliates or a Collateral Manager Related Party will generally be competitive, although the Collateral Manager and its Affiliates or a Collateral Manager Related Party may have interests in such transactions that are adverse to those of the Issuer, such as an interest in obtaining favourable commission rates, mark-ups and mark-downs. There is no limitation or restriction on the Collateral Manager or any of its Affiliates with regard to acting as collateral manager (or in a similar role) to other parties or persons. This and other future activities of the Collateral Manager and/or its Affiliates may give rise to additional conflicts of interest.

Investment Company Act Order

MassMutual, the indirect parent of the Collateral Manager, is a party to an order of the Securities and Exchange Commission granting exemptions from the limitations of Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder (the "**17(d) Order**") to the extent necessary to permit MassMutual, the Registered Funds and private investment funds for which MassMutual or certain of its

Affiliates serve as investment adviser to co-invest in securities acquired in private placements ("**Private Placements**"). Under the terms of the 17(d) Order, MassMutual and its Affiliates, including the Collateral Manager, are required to offer to the Registered Funds an opportunity to co-invest in certain Private Placements that MassMutual or its Affiliates intend to make. Because of the Collateral Manager's relationship with the Issuer, Private Placements proposed to be purchased by the Issuer will be subject to this requirement. The Issuer may only co-invest with the Registered Funds in such Private Placements pursuant to the 17(d) Order.

The 17(d) Order provides that, among other things, if MassMutual or any Affiliate proposes to purchase a Private Placement that is consistent with the investment objectives and policies of one or more of the Registered Funds, such Registered Funds must be offered the opportunity to purchase an identical amount of such Private Placement on identical terms and conditions. For purposes of the 17(d) Order, the portion of an issue of a Private Placement to be acquired by the Issuer that is allocable to the direct or indirect ownership by MassMutual of equity interests in the Issuer would be aggregated with the portion of that issue to be held by MassMutual in its own portfolio. Accordingly, in the event that any Registered Fund elects to accept an opportunity to invest in a Private Placement, the Issuer may only be able to acquire a smaller portion of the proposed Private Placement and, in certain circumstances, may be unable to purchase other securities of the same obligor or its Affiliates. See above "*Certain Conflicts of Interest - Collateral Manager*".

The 17(d) Order also provides that if any party to the 17(d) Order proposes to sell all or dispose of any portion of a Private Placement that is also owned by a Registered Fund, such Registered Fund must be offered the opportunity to dispose of a proportionate amount of such Private Placement securities on identical terms and conditions. A similar condition applies with respect to the exercise of warrants, conversion privileges and other rights in respect of Private Placements having equity features held by a Registered Fund. A Registered Fund has five business days from the date of notification within which to make an election to participate in such disposition or exercise.

The Issuer will be required to comply fully with the 17(d) Order and to take all steps necessary or desirable to permit the Collateral Manager and the other parties to the 17(d) Order to comply fully with the 17(d) Order, including causing any successor investment manager to manage the Portfolio in a manner that will enable the Collateral Manager and other parties subject to the 17(d) Order to comply fully therewith.

6.2 Conflicts of Interest Involving or Relating to the Placement Agent and its Affiliates

Each of the Placement Agent and its Affiliates (the "**Goldman Sachs Parties**") will play various roles in relation to the offering, including the roles described below.

The Goldman Sachs Parties have been involved (together with the Collateral Manager) in the formulation of the Portfolio Profile Tests, Coverage Tests, Collateral Quality Tests, Priorities of Payments and other criteria in and provisions of the Trust Deed and the Collateral Management and Administration Agreement. These may have been influenced by discussions that the Placement Agent may have had with investors and there is no assurance that investors would agree with the views of one another or that the resulting modifications will not adversely affect the performance of the Notes or any particular Class of Notes.

The Placement Agent will purchase the Refinancing Notes 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 Placement Agent in respect of those Refinancing Notes. The Placement Agent may assist clients and counterparties in transactions related to the Notes (including assisting clients in future purchases and sales of the Notes and hedging transactions). The Placement Agent expects to earn fees and other revenues from these transactions.

The activities and interests of the Goldman Sachs Parties, its clients and respective officers, members and employees will not necessarily align with, and may in fact be directly contrary to, those of the Noteholders. The Goldman Sachs Parties may purchase a certain proportion of the Refinancing Notes on or after the Issue Date which they may hold and/or subsequently trade. Any such purchase and holding and/or subsequent trade by the Goldman Sachs Parties will be for their own account as Noteholders.

The Goldman Sachs Parties may retain a certain proportion of the Notes in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Notes by these parties may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market. The Goldman Sachs 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 Goldman Sachs Parties may provide also include financing and, as such, the Goldman Sachs Parties may have and/or may provide financing to the Collateral Manager, the Collateral Manager Related Parties and/or their respective Affiliates and such financing may directly or indirectly involve financing the Retention Notes. When exercising its rights in connection with any such retention financing, the relevant Goldman Sachs Party could seek to enforce its security over all or some of the Retention Notes and take possession or sell such Retention Notes to a third party, In addition, the Goldman Sachs Parties may derive fees and other revenues from the arrangement and provision of such financings. In the case of any such financing, the Goldman Sachs Parties may have received security over assets of the Collateral Manager, the Collateral Manager Related Parties and/or their respective Affiliates, including security over the Retention Notes, resulting in the Goldman Sachs Parties having enforcement rights and remedies which may include the right to appropriate or sell the Retention Notes. The Goldman Sachs Parties may have positions in and may have placed or underwritten certain of the Collateral Obligations (or other obligations of the Obligors of Collateral Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to Obligors of certain Collateral Obligations. In addition, the Goldman Sachs 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 Goldman Sachs Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the Noteholders or any other party. Moreover, the Issuer may invest in loans of Obligors Affiliated with the Goldman Sachs Parties or in which one or more Goldman Sachs 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 Goldman Sachs Parties' own investments in such Obligors.

It is expected that, from time to time, the Collateral Manager may purchase or sell Collateral Obligations through, from or to the Goldman Sachs Parties (including a portion of the Collateral Obligations to be purchased on or prior to the Issue Date). One or more Goldman Sachs Parties may also act as the selling institution with respect to participation interests and/or as a counterparty under a Hedge Agreement. The Goldman Sachs Parties may act as placement agent and/or initial purchaser or investment manager in other transactions involving issues of collateralised debt obligations or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the availability of collateral for the Issuer and/or on the price of the Notes.

The Goldman Sachs Parties may have placed or underwritten certain of the Collateral Obligations when such Collateral Obligations were originally issued and may have provided or may be providing investment banking services and other services to issuers of certain Collateral Obligations. It is expected that from time to time the Collateral Manager may purchase or sell Collateral Obligations through, from or to the Goldman Sachs Parties, subject to such procedures and restrictions as are

appropriate to comply with applicable law with respect to transactions in which an Affiliate of the Collateral Manager is acting as principal.

The Goldman Sachs Parties activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. These activities may also include buying or selling credit protection in respect of the Notes, taking long and short positions on (and thereby make a profit from) the Collateral Obligations (including those purchased while the Notes are outstanding), assisting purchasers of the Collateral Obligation to hedge their investments; facilitating transactions for other clients or counterparties that may have business objectives or investment strategies that are inconsistent with or contrary to those of investors in the Collateral Obligation, and/or hedging any exposure of a Goldman Sachs Parties to the Refinancing Notes on the Issue Date or any time in the future. The securities and instruments in which any Goldman Sachs Parties takes positions, or expect to take positions may include the Notes, the Collateral Obligations, or similar securities or products. Market-making is an activity where a Goldman Sachs Party buys and sells on behalf of customers, or for their own account, to satisfy the expected demand of customers. By its nature, market-making involves facilitating transactions among market participants that have differing views of securities and instruments. Any Goldman Sachs Party may also act as counterparty on Hedge Agreements. As a result, Noteholders should expect that one or more of the Goldman Sachs Parties will take positions that are inconsistent with, or adverse to, the investment objectives of investors in the Notes. In no circumstances will the Goldman Sachs Parties need to account to any Noteholder or any other person for any fee, profit or gain made from any such activities.

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

Furthermore, Goldman Sachs Parties expect that a completed offering will enhance its ability to assist clients and counterparties in transactions related to the Refinancing Notes and in similar transactions (including assisting clients in additional purchases and sales of the Refinancing Notes and hedging transactions). Goldman Sachs Parties expect to derive fees and other revenues from these transactions. In addition, participating in a successful offering and providing related services to clients may enhance Goldman Sachs Parties' relationships with various parties, facilitate additional business development, and enable it to obtain additional business and to generate additional revenue.

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

DOCUMENTS INCORPORATED

The 2015 Offering Circular is included herein as Annex A and is expressly incorporated herein as an integral part of this Offering Circular. The information in this Offering Circular should be read in conjunction with the 2015 Offering Circular. The changes described herein supersede all statements which are inconsistent therewith in the 2015 Offering Circular.

Unless the context otherwise specifically requires, all references in the 2015 Offering Circular to a relevant Class of Refinancing Notes shall be a reference to the same Class of Refinancing Notes as defined herein (as the context requires) and all references in the 2015 Offering Circular to the Notes shall include the Refinancing Notes (as the context requires). All references in the 2015 Offering Circular to the Trust Deed shall be to the Trust Deed as amended and supplemented by the Deed of Amendment.

The audited financial statements of the Issuer as at and for the financial period ending 30 November 2015 and 30 November 2016, together with the audit reports thereon, have been filed with the Irish Stock Exchange and shall be deemed to be incorporated in, and to form part of, this Offering Circular.

The documents incorporated by reference referred to above are available for viewing at:

- audited financial statements of the Issuer as at and for the financial period ended 30 November 2015: http://www.ise.ie/debt_documents/Babson%20Euro%20CLO%202015-1%20B.V.%20-%20Annual%20Report%2030%20NOV%202015%20-%20(audited)_6d55ec2c-63cc-4297-95c7-acf0f839a002.pdf; and

- audited financial statements of the Issuer as at and for the financial period ended 30 November 2016: http://www.ise.ie/debt_documents/Annual%20Financial%20Statement_c21046d1-e08e-4484-9c55-fffe466f32c7.pdf.

DESCRIPTION OF THE REFINANCING NOTES

The information set forth in this section should be read in conjunction with the section entitled "Terms and Conditions" in the 2015 Offering Circular.

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

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

Except as expressly set forth herein, the Class A-1 Notes will be subject to the same terms and conditions as the Original Class A-1 Notes, the Class A-2 Notes will be subject to the same terms and conditions as the Original Class A-2 Notes, the Class B-1 Notes will be subject to the same terms and conditions as the Original Class B-1 Notes, the Class B-2 Notes will be subject to the same terms and conditions as the Original Class B-2 Notes, the Class C Notes will be subject to the same terms and conditions as the Original Class C Notes and the Class D Notes will be subject to the same terms and conditions as the Original Class D Notes. Therefore, except as expressly set forth herein, the information regarding the Original Class A-1 Notes, the Original Class A-2 Notes, the Original Class B-1 Notes, the Original Class B-2 Notes, the Original Class C Notes and the Original Class D Notes set forth in the 2015 Offering Circular also applies to the Class A-1 Notes, the Class A-2 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and the Class D Notes, respectively.

The revised terms and conditions of the Refinancing Notes will be set forth in the Deed of Amendment and are set out below. This Offering Circular, together with the 2015 Offering Circular, summarises certain provisions of the Trust Deed as amended and supplemented by the Deed of Amendment and other Transaction Documents. The summaries do not purport to be complete and (whether or not so stated in this Offering Circular or the 2015 Offering Circular) are subject to, are qualified in their entirety by reference to, and incorporate by reference, the provisions of the Transaction Documents (including definitions of terms).

Deed of Amendment – Amendments to the Conditions in respect of the Refinancing Notes

The purchasers of Refinancing Notes will be deemed to approve the amendments to the Trust Deed pursuant to the Deed of Amendment.

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

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

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

"**Issue Date**" means:

(a) in respect of the Class A-1 Notes, Class A-2 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and the Class D Notes and where used in the U.S. Credit Risk Retention Letter and/or the 2017 Placement Agreement, 25 October 2017 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Placement Agent and the

Collateral Manager and is notified to the Noteholders in accordance with Condition 16 (Notices) and the Irish Stock Exchange); and

(b) in respect of the Class A-3 Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, and in respect of all other instances in the Transaction Documents (unless otherwise agreed between the Issuer, the Placement Agent and the Collateral Manager or as otherwise expressly set out in the Deed of Amendment), including in respect of the giving of representations and undertakings and as a reference point for calculations and determinations, 8 September 2015."

- The definition of "**Trust Deed**" in the Conditions is amended by adding the following words to the end of the definition: ", as amended and supplemented by the Deed of Amendment".

- A new definition is added in Condition 1 (*Definitions*) as follows:

""**Deed of Amendment**" means an amending deed to the Transaction Documents between the same parties to the Trust Deed dated on or about 25 October 2017."

- A new definition is added in Condition 1 (*Definitions*) as follows:

""**2017 Placement Agreement**" means the placement agreement between the Issuer and the Placement Agent dated as of 25 October 2017.

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

- The definition of "**Transaction Documents**" is updated by inserting the "U.S. Credit Risk Retention Letter".

- New definitions are added in Condition 1 (Definitions) as follows:

"**Retention Holder**" means Barings (U.K.) Limited, in its capacity as retention holder in accordance with the Collateral Management and Administration Agreement and the U.S. Credit Risk Retention Letter.

"**U.S. Credit Risk Retention Letter**" means the letter entered into by the Retention Holder and the Placement Agent dated on or about the Issue Date.

"**U.S. Credit Risk Retention Requirements**" means the U.S. credit risk retention requirements under the U.S. Credit Risk Retention Rules and Section 15G of the Exchange Act.

"**U.S. Credit Risk Retention Rules**" means the final rules implementing the credit risk retention requirements of Section 15G of the Exchange Act (codified at 17 C.F.R § 246.1-246.22), including the limitations on hedging, financing and transfer therein. Section references to the U.S. Credit Risk Retention Rules are to the rules contained in Regulation RR, 17 C.F.R §246.1, et seq."

- The definition of "**Collateral Quality Test**" in Condition 1 (*Definitions*) is deleted and replaced with the following:

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

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

(i) the Moody's Minimum Diversity Test;

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

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

(iv) the Moody's Minimum Weighted Average Floating Spread Test; and

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

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

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

(iii) the Fitch Minimum Weighted Average Spread Test;

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

each as defined in the Collateral Management and Administration Agreement."

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

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

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

(b) the Refinancing of the Class A-1 Notes, the Class A-2 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and the Class D Notes that took effect on 25 October 2017."

- a new Condition 2(o) (*Modification of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Weighted Average Floating Spread Test, the Moody's Minimum Weighted Average Coupon Test, the Fitch Minimum Weighted Average Spread Test, the Fitch Minimum Weighted Average Fixed Coupon Test, the Weighted Average Life Test, the Fitch Test Matrix and the Moody's Test Matrix*) is added as follows:

"2(o) Modification of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Weighted Average Floating Spread Test, the Moody's Minimum Weighted Average Coupon Test, the Fitch Minimum Weighted Average Spread Test, the Fitch Minimum Weighted Average Fixed Coupon Test, the Weighted Average Life Test, the Fitch Test Matrix and the Moody's Test Matrix

For the purposes of Condition 14(c)(xii) and (xvi) (*Modification and Waiver*), the Noteholders of the Refinancing Notes which are Class A Notes (being the Controlling Class) issued pursuant to the Refinancing on 25 October 2017 have, as applicable, consented to and/or confirmed they waive their right to object to the modification of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Weighted Average Floating Spread Test, the Moody's Minimum Weighted Average Coupon Test, the Fitch Minimum Weighted Average Spread Test, the Fitch Minimum Weighted Average Fixed Coupon Test, the Weighted Average Life Test, the Fitch Test Matrix and the Moody's Test Matrix as contemplated in the Deed of Amendment by their subscription for such Class A Notes on 25 October 2017."

- Condition 6(e) is deleted and replaced with the following:

"(e) Interest on Fixed Rate Notes

The Calculation Agent will calculate the amount of interest (an "**Interest Amount**") payable in respect of the Class A-2 Notes, the Class A-3 Notes and the Class B-2 Notes for the relevant Accrual Period by

applying the Class A-2 Fixed Rate of Interest, the Class A-3 Fixed Rate of Interest, or the Class B-2 Fixed Rate of Interest (as applicable) to an amount equal to the Principal Amount Outstanding in respect of the Class A-2 Notes, the Class A-3 Notes and the Class B-2 Notes (as applicable), 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 A-2 Fixed Rate of Interest**" means 1.10 per cent. per annum;

"Class A-3 Fixed Rate of Interest" means 1.67 per cent. per annum provided that such Class A-3 Fixed Rate of Interest shall only apply to the Class A-3 Notes during the Class A-3 Fixed Rate Period. Following the expiry of the Class A-3 Fixed Rate Period, the Class A-3 Notes shall cease to be Fixed Rate Notes and shall be classified as Floating Rate Notes and treated accordingly; and

"**Class B-2 Fixed Rate of Interest**" means 1.75 per cent. per annum."

- Condition 6(f)(D) is deleted and replaced with the following:

"(D) Where:

"**Applicable Margin**" means:

(1) in the case of the Class A-1 Notes: 0.82 per cent. per annum (the "**Class A-1 Margin**");

(2) in the case of the Class A-3 Notes; 1.35 per cent. per annum (the "**Class A-3 Margin**");

(3) in the case of the Class B-1 Notes: 1.15 per cent. per annum (the "**Class B-1 Margin**");

(4) in the case of the Class C Notes: 1.45 per cent. per annum (the "**Class C Margin**");

(5) in the case of the Class D Notes: 2.45 per cent. per annum (the "**Class D Margin**");

(6) in the case of the Class E Notes: 4.75 per cent. per annum (the "**Class E Margin**");

and

(7) in the case of the Class F Notes: 6.00 per cent. per annum (the "**Class F Margin**")."

- Condition 6(f)(E) is deleted and replaced with the following:

"Notwithstanding paragraphs (A) through (D) above, if, in relation to any Interest Determination Date (and with respect to the Class A-3 Notes, in relation to each Accrual Period following the expiry of the Class A-3 Fixed Rate Period), EURIBOR in respect of the Class A-3 Notes, the Class B-1 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as determined in accordance with paragraphs (A), (B) and (C) above, would yield a rate less than zero, such rate shall be deemed to be zero for the purposes of determining the Floating Rate of Interest pursuant to this Condition 6(f) (*Interest on the Floating Rate Notes*)."

- Condition 7(b)(i) is deleted and replaced with the following:

"(i) Optional Redemption in Whole - Subordinated Noteholders

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:

(A) on any Payment Date falling, in the case of (I) any redemption in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), on or after the Payment Date in October 2018, and (II) any redemption in accordance with Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), on or after expiry of the Non-Call Period, in each case at the option of the holders of the Subordinated Notes acting by way of Ordinary Resolution;

(B) upon the occurrence of a Collateral Tax Event, on any Payment Date falling after such occurrence at the direction of the Subordinated Noteholders acting by Extraordinary Resolution,

in each case as evidenced by duly completed Redemption Notices;"

- Condition 7(b)(ii) is amended as follows:

- by inserting the following after the words "the Rated Notes of any Class (other than the Class A-3 Notes at any time during the Class A-3 Fixed Rate Period":

  "and other than the Class A-1 Notes, the Class A-2 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and/or the Class D Notes)"

- by inserting the following at the end of Condition 7(b)(ii):

  "For the avoidance of doubt, no optional redemption in part may be effected pursuant to this Condition 7(b)(ii) (*Optional Redemption in Part – Subordinated Noteholders or Collateral Manager*) solely from Refinancing Proceeds in respect of the Class A-1 Notes, the Class A-2 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and/or the Class D Notes."

- Condition 7(b)(v) is amended as follows:

- By deleting the words ", a direction in writing from the Subordinated Noteholders (acting by way of Ordinary Resolution) " and replacing them with the following:

  ", (i) a direction in writing from the Subordinated Noteholders (acting by way of Ordinary Resolution) or (ii) a direction in writing from the Collateral Manager,".

USE OF PROCEEDS

The estimated net proceeds of the issue of the Refinancing Notes are expected to be approximately €298,800,000. Such proceeds will be used by the Issuer to redeem the Refinanced Notes at the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Refinancing. Refinancing Costs will be paid as Administrative Expenses and/or Trustee Fees and Expenses, as applicable, in accordance with the Conditions.

RATINGS OF THE NOTES

The following information should be read in conjunction with the section entitled "Ratings of the Notes" in the 2015 Offering Circular.

It is a condition of the issue and sale of the Refinancing Notes that the Refinancing Notes be issued with at least the following ratings: the Class A Notes: "Aaa(sf)" from Moody's and "AAA(sf)" from Fitch; the Class B Notes: "Aa2(sf)" from Moody's and "AA(sf)" from Fitch; the Class C Notes: "A2(sf)" from Moody's and "A(sf)" from Fitch; and the Class D Notes: "Baa2(sf)" from Moody's and "BBB(sf)" from Fitch.

THE ISSUER

The information in this section should be read in conjunction with the section entitled "The Issuer" in the 2015 Offering Circular.

Mr. H.P.C. Mourits's occupation of "Director" is deleted and is replaced with "Global Head of TMF Structured Finance Services".

Mr. A. Weglau's occupation of "Director" is deleted and is replaced with "Head Transaction Manager of TMF Structured Finance Services B.V.".

Mr. S. E. J. Ruigrok's occupation of "Director" is deleted and is replaced with "Director Client Investor Compliance & Regulatory Services". In the section entitled "Management", following the final paragraph, the following text is added:

"The Issuer may, without the consent of any other Person, make such amendments to the letter of undertaking or the Issuer Management Agreement as shall be necessary to document the resignation, replacement and/or appointment of one or more managing directors, provided that following such amendments, such documents shall be in substantially the same form as those entered into on the Issue Date. Upon the date that such amendments take effect, the Issuer shall provide notice thereof to the Trustee and each of the other parties to the letter of undertaking and the Issuer Management Agreement."

In the section entitled "Director's Experience", the subsection for Mr. Huub P.C. Mourits is deleted and replaced with the following text:

"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/CLOs. In October 2016 he became the Global Head 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."

In the section entitled "Director's Experience", the subsection for Mr. Steffen E.J. Ruigrok is deleted and replaced with the following text:

"Mr. Ruigrok is TMF Netherlands Director Investor Compliance & Regulatory Services. Prior to this he was head of the Outsourcing Business Services department of TMF Netherlands and before that his position was the head of the accounting and reporting department of TMF Structured Finance Services B.V. in The Netherlands. Before joining the TMF Group in 2004, Mr. Ruigrok was an Auditor with Coopers and Lybrand (now PricewaterhouseCoopers N.V.), and held a corporate finance position at an international M&A boutique in The Netherlands. He currently also serves as mentor for structured finance and financial instruments related research at the NIVRA-Nijenrode School of Accountancy and Controlling. Mr. Ruigrok holds a Bachelor's degree in Business Administration from Nijenrode Business University, and Master's degrees in Economics and in Accounting, both from the Vrije University Amsterdam. Mr. Ruigrok is a qualified Chartered Certified Accountant."

In the section entitled "Financial Statements", the following text is added following the words "registered auditors qualified in practice in The Netherlands":

"The address of the auditors of the Issuer is Laan van Langerhuize 1, 1186 DS Amstelveen, Netherlands".

DESCRIPTION OF THE COLLATERAL MANAGER

The Issuer has accurately reproduced the information contained in the section entitled "Description of the Collateral Manager" from information provided to it by the Collateral Manager but it has not independently verified such information. So far as the Issuer is aware and is able to ascertain from information published by the Collateral Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading. The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Placement Agent or any other party. None of the Placement Agent, the Sole Arranger or any other party other than the Collateral Manager assumes any responsibility for the accuracy or completeness of such information. The delivery of this Offering Circular will not create any implication that there has been no change in the affairs of the Collateral Manager since the date of this Offering Circular, or that the information contained or referred to in this section is correct as of any time subsequent to the date of this Offering Circular.

General

Barings (U.K.) Limited (formerly Babson Capital Management (UK) Limited) ("**Barings**") will act as the Collateral Manager. The Collateral Manager was incorporated in England and Wales on 4 January 1995 and its registered address is 61 Aldwych, London WC2B 4AE, United Kingdom. The Collateral Manager is authorised and regulated by the Financial Conduct Authority, among other things, to manage investments for non-private customers. The information herein in relation to the Collateral Manager is correct as at the date of this Offering Circular.

In May 2004, Babson Capital acquired Duke Street Capital Debt Management Limited from Duke Street Capital Group. On 30 September 2004, Duke Street Capital Debt Management Limited changed its name to Babson Capital Europe Limited and subsequently on 30 January 2015 Babson Capital Europe Limited changed its name to Babson Capital Management (UK) Limited.

In March 2016, Babson Capital, its subsidiaries Cornerstone Real Estate Advisers LLC and Wood Creek Capital Management, LLC, and Baring Asset Management Limited announced their intention to combine and use the Barings brand. The initial phase of the integration closed during the third quarter of 2016. The firm is led by Tom Finke, formerly the Chairman and CEO of Babson Capital, and is headquartered in Charlotte, North Carolina. There has been no material change to Barings's investment team or investment process as a result of this exercise. On 12 September 2016, Babson Capital Management (UK) Limited changed its name to Barings (U.K.) Limited.

Barings LLC is an investment management firm that was founded in 1940 and is registered with the SEC as an investment adviser and is headquartered in Charlotte, North Carolina. Barings LLC is an indirect majority owned subsidiary of Massachusetts Mutual Life Insurance Company ("**MassMutual**"). Barings LLC and its subsidiaries manage over U.S.$279.3bn in assets (as of 31 October 2016), primarily for institutional investors and high net worth individuals and offer a wide range of absolute return, co-investing, financing and customised mandates utilising equity, fixed-income and derivative instruments. Barings LLC also manages money for institutional and retail investors through subsidiary relationships with several mutual funds. Barings LLC is the investment advisor to MassMutual's General Investment Account.

In its capacity as Collateral Manager, Barings (U.K.) Limited will offer asset selection and portfolio management services to the Issuer. Barings (U.K.) Limited also acts as collateral manager for nine other managed cashflow arbitrage CLOs: Duchess III CDO S.A., Duchess IV CLO B.V., Duchess VI CLO B.V., Duchess VII CLO B.V., Malin CLO B.V., Babson Euro CLO 2014-1 B.V., Babson Euro CLO 2014-2 B.V., Babson Euro CLO 2016-1 B.V. and Barings Euro CLO 2017-1 B.V.. The notes of Duchess III CDO S.A. and Duchess IV CLO B.V. have been redeemed at the option of noteholders and the legal entities will be liquidated in due course once all proceeds have been distributed. In addition, it acts as collateral manager for one market

value CLO, Rockall CLO B.V., and as investment manager of a number of managed accounts and fixed income funds.

Investment Policy

Barings (U.K.) Limited as Collateral Manager will manage the investment of the proceeds from the Notes. The eligible collateral consists of loans and debt securities issued or borrowed in leveraged transactions predominantly by UK and continental European companies and to a limited extent companies in the United States of America. The focus will be on Secured Senior Obligations and bonds complemented by Unsecured Senior Obligations, mezzanine, second lien and/or subordinated loans and other loans and debt securities issued by companies with strong operations and solid capital structures.

Investment Approval Procedure

Investment decisions will be based on determinations made by the High Yield Investment Committee of Barings (U.K.) Limited. The committee quorum is three voting members. An alternate may only make up one member of the High Yield Investment Committee at any one time. Majority approval from High Yield Investment Committee members is mandatory for any increase in risk. Martin Horne has the right of a veto on any High Yield Investment Committee decision approval. Martin Horne will chair every committee or nominate an alternate.

The High Yield Investment Committee will monitor credit, liquidity, currency and interest rate risk and compliance with the terms of the Collateral Management and Administration Agreement. In addition, the High Yield Investment Committee will have responsibility to approve the Collateral Manager's investment strategy on behalf of the Issuer and review the Portfolio on a quarterly basis. In practice, all members of the Collateral Manager's team will be encouraged to contribute their views to the matters considered by the High Yield Investment Committee in order to ensure that the experience of all members of staff is considered where relevant.

New investment opportunities will be subject to evaluation in two general respects:

- First, the suitability of the proposed new investment in terms of the Portfolio, i.e. with reference to the required diversity score and weighted average rating, to currency and interest rate risk and to issuer and country concentration rules, etc.

- Second, the cash flow and creditworthiness of the proposed obligor, taking into account both financial and commercial risks, industry and economic factors and strategic and financial structuring considerations.

Where the Collateral Manager, on behalf of the Issuer, is making an investment in the private debt markets, it will regularly make use of reports from specialist advisers who performed due diligence on, for example, the historic and forecast financial performance of the proposed borrower, tax, pension and legal issues. The Collateral Manager typically will perform, among other things, a detailed commercial assessment of the borrower, cash flow modelling and stress testing, industry and economic reviews, management meetings and site visits (where practical and necessary).

There may be circumstances where debt investments are split between existing funds or transferred in whole or in part between funds. This may enable the funds managed by the Collateral Manager and its affiliates to benefit from sufficiently large participations to maximise arrangement fees or meet the funds diversity/size requirements. No such transactions will be permitted to be made for the Issuer unless the Collateral Manager believes they are in the best interests of the funds involved. If appropriate, in the judgement of the Collateral Manager, third party or market valuations would be taken to validate transfer values.

Systems and Policies

Individual loan level data for portfolios managed by the Collateral Manager is tracked and maintained on Wall Street Office. The data is maintained by a division of State Street Bank & Trust under a middle office outsourcing arrangement and provided to Barings on a daily basis. Wall Street Office is an industry standard system for loan administration. Asset data is fed on a daily basis to Everest, a customised system designed for both portfolio management and for the tracking of individual issuers of loans and bonds. Everest is used by the credit analysts as the primary tool for logging and managing information on the performance of individual credits, including leverage statistics, covenants, financial performance and industry related factors. It is also used for documenting and monitoring the limits and trading markers established by the firm's European High Yield Investment Committee, as well as for identifying the assets making up the watch list of underperforming credits.

The Collateral Manager has investment policies and procedures for how the portfolio management team is generally expected to track and monitor credit risk across the portfolios managed, including CLO portfolios. The policies and procedures cover credit committee approval processes, setting of trading markers, limit setting and monitoring, individual credit performance monitoring processes, processes around watch lists of underperforming credits and periodic underperforming credit reviews.

Credit Risk Mitigation

For the purposes of acting for the Issuer, the Collateral Manager has 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 and the 2015 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 administered in line with the administration and monitoring procedures of the Collateral Manager);

(c) adequate diversification of credit portfolios given the target market and overall credit strategy (in relation to the Portfolio, see the section of the 2015 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 the 2015 Offering Circular headed "The Portfolio" and "Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter", which describe the ways in which the Collateral Manager is required to monitor the Portfolio);

(e) to the extent not subject to confidentiality restrictions and requirements of law and regulation, processes to grant access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting a securitisation exposure and to any information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures (as to which, see further the sections "The Portfolio" and "Description of the Reports" in the 2015 Offering Circular, which describe the criteria used for selection of the Collateral Obligations and the reports required to be prepared and provided in respect of such Collateral Obligations);

(f) to the extent not subject to confidentiality restrictions and requirements of law and regulation, processes to grant readily available access to all other relevant data necessary for an AIFM to comply with the applicable qualitative requirements (as to which, see further the section of the 2015 Offering Circular headed "Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter", which describes the ways in which the Collateral Manager is required to satisfy the Retention Requirements and "Description of the Reports", which provides reporting requirements in respect of satisfaction of the Retention Requirements); and

(g) procedures to disclose the level of their retained net economic interest, as well as any matters that could undermine the maintenance of the minimum required net economic interest (as to which, see further the sections in the 2015 Offering Circular headed "Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter", and "Description of the Reports", which describe the ways in which the Collateral Manager is required to satisfy the Retention Requirements and how compliance is periodically notified to Noteholders, respectively, and the sections in this Offering Circular headed "Risk Factors – Risk Retention and Due Diligence" and "Risk Factors – Alternative Investment Fund Managers Directive", which describe the risks in respect of satisfaction of the Retention Requirements and compliance with the AIFMD).

Collateral Manager Team

Senior Members of the Investment Team

Martin Horne, Managing Director and Head of European High Yield Investments. Martin is Head of the firm's European High Yield Investments Group and the firm's European High Yield Investment Committee. His responsibilities include portfolio management for several of the firm's loan and multi-strategy funds. Martin joined Barings (U.K.) Limited in 2002 from Dresdner Kleinwort Wasserstein where he was a member of the European Leverage team that focused on lead arranging and underwriting senior, mezzanine and high yield facilities for financial sponsor driven leverage buyouts throughout Europe. Prior to that, Martin spent three years with both KPMG Corporate Finance and National Westminster Bank. Martin has served on the Loan Market Association (LMA) board of directors.

Stuart Mathieson, Managing Director, joined in May 2002 from PricewaterhouseCoopers where he worked in the Business Recovery Services team in London, and is a member of the Institute of Chartered Accountants of England & Wales. Stuart has over 17 years of industry experience that has encompassed the sub-investment grade credit markets. Stuart leads the Global Special Situations Investments Group which includes responsibility for representing Barings' interests on restructurings and workouts and he also manages high yield portfolios. He also serves as a member of the firm's European High Yield Investment Committee. Stuart graduated with a BSc in Chemistry from Keble College, Oxford.

Craig Abouchar, Managing Director, is a member of the firm's European High Yield Investments Group and the firm's European High Yield Investment Committee. He is a lead portfolio manager in the firm's European High Yield Bond business, having portfolio management responsibilities for numerous strategies. Craig has over 20 years of investment management experience, primarily focused on below-investment-grade assets. His leveraged finance investment experience is extensive, covering all investment types (bonds, loans, liquid & illiquid, and distressed), major geographic markets (U.S. & Western Europe), and strategy/portfolio types (benchmark driven, retail, institutional, long/short, long biased and absolute return mandates). He joined Barings (U.K.) Limited in 2016 from Castle Hill Asset Management, where he was Co-CEO, Europe. Prior to Castle Hill, he was a portfolio manager at Ignis Investment Management. From 2003 to 2009, Craig was a member of the board of directors of the European High Yield Association, serving as its chairman from 2007 to 2009. Craig earned a B.B.A. in Finance from Emory University, and a M.B.A. in Finance and International Business from Columbia University.

Robert Faulkner, Managing Director, joined Barings (U.K.) Limited in 2001. Robert is responsible for the portfolio management of the European CLO platform and serves as a member of the firm's European High

Yield Investment Committee. Robert initially worked in the finance team, later moving into the Portfolio Monitoring team where he gained extensive experience and working knowledge of the leveraged loan environment, responsible for the performance analysis of individual portfolio assets. In 2006 he joined the High Yield team as an analyst, where he was responsible for analysing and transacting new investment opportunities across both loans and bonds, specialising in the Paper and Packaging sector. Robert holds a BSc (Hons) in Economics from the University of London.

Tom Kilpatrick, Managing Director, joined in August 2006 from Ernst & Young LLP London, where he worked in the Corporate Restructuring division. Prior to this, Tom worked within Assurance Services, focusing on the Oil and Gas sector. Tom qualified as a chartered accountant in September 2005 under the Institute of Chartered Accountants of Scotland and holds a BSc in Accounting and Finance from the London School of Economics. Tom's responsibilities include analysing and transacting new investment opportunities with primary focus on the distressed debt space. Tom is also a member of the firm's European High Yield Investment Committee.

Chris Sawyer, Managing Director, is a member of the firm's European High Yield Investments Group, managing the firm's High Yield trading operations in Europe, and serves as a member of the firm's European High Yield Investment Committee. Chris has over 11 years of industry experience, joining Barings (U.K.) Limited in 2005. Prior to joining the Trading team in 2008, Chris worked in the Portfolio Monitoring team where he was responsible for the performance analysis of individual portfolio assets. Chris holds a BSc in Economics and Business Finance from Brunel University.

Oliver Harker-Smith, Director, joined in August 2010 from Barclays Capital, having spent three and a half years working in leveraged finance syndicate and most recently high yield sales and distribution. During his time at Barclays Capital, Oliver spent almost two years working on syndicating private equity buyouts in Europe before concentrating on an investor coverage role, predominantly facilitating the primary distribution and secondary trading of loans and high yield bonds. Oliver graduated from Dartmouth College in 2005 with a BA, majoring in Economics. Oliver's responsibilities include analysing and transacting new investment opportunities and assisting with the portfolio management of the European CLO platform.

Senior Members of Corporate and Operations Teams

Tom Finke, Chairman and Chief Executive Officer of Barings LLC and Director of Barings (U.K.) Limited. Tom's financial career has included roles in both the banking and investment industry. He joined Barings LLC in June 2002 when the firm acquired First Union Institutional Debt Management, Inc. from Wachovia Corporation, a bank loan business he co-founded and helped grow to over USD 3.6 billion in assets. For the next five years, he headed Barings LLC's U.S. Bank Loan Team as it developed into one of the largest bank loan managers in the U.S.. In addition to his Barings LLC duties, Tom acts as Director of Barings (U.K.) Limited. Between December 2008 and May 2011 Tom also served as Executive Vice President and Chief Investment Officer for the Massachusetts Mutual Life Insurance Company, relinquishing these duties to focus on the expanding Babson Capital enterprise. He received an M.B.A. from Duke University's Fuqua School of Business and holds a bachelor's degree from the University of Virginia's McIntire School of Commerce.

Julian Swayne, Chief Executive Officer of 'Barings' in Europe. He is responsible for the day-to-day general management of 'Barings'' main UK operating entities. He previously served as the Chief Financial Officer International of 'Barings', having joined Baring Asset Management when it was formed in 1989. Julian became Finance Director in 1997 and then Chief Financial Officer International in 2016 when the new 'Barings' group was created. Prior to joining Baring Asset Management, he worked at Baring Brothers & Co.. Previous to that, Julian was with London City based auditors Neville Russell. Julian holds a degree in Economics from Leicester University and qualified as a chartered accountant in 1985.

Ben Greene, Managing Director, joined in February 2006 from Deloitte where he worked in the Quantitative Risk Consulting group within the Financial Services Advisory division. Within this group Ben carried out a range of projects around the management and monitoring of market and credit risk within banks and corporate

treasuries, as well as performing specialist derivative valuation and accounting work. Ben graduated with a MA Cantab in Economics from the University of Cambridge, and qualified as an ACA with Deloitte in 2003. Ben also obtained the Securities & Investment Institute Diploma in 2005. Ben's responsibilities include structuring and financial risk modelling for new and existing funds, currency hedging and risk management.

Colin Frew, Managing Director, joined Barings (U.K.) Limited in November 2015 from Wellington Management Ltd where he was Finance Director, based in London, having previously worked in the firm's Boston head office since 2007. Previously he was CFO for the Investment Management division of Fidelity International. Prior to this, Colin spent ten years at Morgan Stanley in London and New York and was latterly the CFO for the European Investment banking division. Colin also worked in a Product Control role at JP Morgan Chase and as a U.S. GAAP accountant at HSBC. Colin trained with PricewaterhouseCoopers and is a member of the Institute of Chartered Accountants of Scotland; he also holds a LLB from the University of Dundee. Colin's responsibilities at Barings (U.K.) Limited include financial and management reporting, regulatory compliance, and overseeing controls over the company's assets and financial processes.

Peter Clark, Managing Director, joined Barings (U.K.) Limited in 2007 from the London office of Latham & Watkins, where he was a Senior Associate and a member of the Finance Group. Over the years, Peter has represented a wide range of banks, financial institutions, equity sponsors, corporates and hedge funds in leveraged finance, debt restructurings, structured finance and cross-border acquisitions. Peter's responsibilities at Barings (U.K.) Limited include analysing the legal aspects of investment opportunities, structuring new funds, engaging in workout and restructuring discussions with respect to distressed loan investments and handling legal issues generally. Peter was admitted as a Solicitor of the Senior Courts of England and Wales in 1999 and as a member of the California State Bar in 2001.

RETENTION REQUIREMENTS

EU Risk Retention

In relation to the Collateral Manager's representations, warranties and covenants in respect of the Retention Notes see the section entitled "Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter" in the 2015 Offering Circular.

U.S. Credit Risk Retention

The Collateral Manager is required under the U.S. Credit Risk Retention Requirements to ensure that it (or a majority-owned affiliate as defined under the U.S. Credit Risk Retention Requirements (a "**Majority-Owned Affiliate**")) acquires and retains an economic interest in the credit risk of interests created by the Issuer on the Issue Date in an amount of not less than five per cent. (in the case of vertical risk retention). So long as the U.S. Credit Risk Retention Requirements are applicable, the Collateral Manager intends to satisfy the U.S. Credit Risk Retention Requirements by acquiring and retaining, either directly or through a Majority-Owned Affiliate, an EVI equal to a minimum of five per cent. of the Principal Amount Outstanding of each Class of Notes issued by the Issuer.

Under the U.S. Credit Risk Retention Letter, the Collateral Manager will also represent, warrant and undertake to Goldman Sachs International in its capacity as the Placement Agent that:

(a) it is the appropriate entity to comply with all legal requirements imposed on the "sponsor of a securitization transaction" in accordance with the U.S. Credit Risk Retention Rules and it will comply with all legal requirements imposed on the "sponsor of a securitization transaction" in accordance with the U.S. Credit Risk Retention Rules;

(b) the Collateral Manager or its Majority-Owned Affiliate will retain an eligible vertical interest in the transaction in accordance with U.S. Credit Risk Retention Rule 4(a)(1) for the duration required in U.S. Credit Risk Retention Rule 12(f), which interest (the "**Retained Interest**") will consist of a minimum 5 per cent. interest in each Class of Notes;

(c) the Collateral Manager will be solely responsible for compliance with the disclosure requirements of U.S. Credit Risk Retention Rule 4(c)(2). The Collateral Manager (i) will be responsible for ensuring that the disclosure required by U.S. Credit Risk Retention Rule 4(c)(2)(i) is contained in this Offering Circular, (ii) will be solely responsible for the content of that disclosure and (iii) will be solely responsible for making and delivering such disclosure in a medium that does not involve any action or participation by the Placement Agent if any disclosure is required after the Issue Date pursuant to U.S. Credit Risk Retention Rule 4(c)(2)(ii); and

(d) the Collateral Manager or its Majority-Owned Affiliate will not engage in any activities that would constitute impermissible hedging, transfer or financing of the Retained Interest as prohibited by the U.S. Credit Risk Retention Rule for the duration required in U.S. Credit Risk Retention Rule 12(f).

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 Placement Agent or any other party. None of the Placement Agent or any other party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

The Issuer confirms that the information appearing in this section has been accurately reproduced and that as far as the Issuer is aware, and is able to ascertain from information published by the Collateral Administrator, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Description of the Collateral Administrator

Elavon Financial Services Designated Activity Company 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.

THE PORTFOLIO

The following information should be read in conjunction with the section entitled "The Portfolio" in the 2015 Offering Circular.

Collateral Obligations

The most recent Monthly Report (as defined in the 2015 Offering Circular) prior to the Refinancing Date with respect to the Collateral Obligations will be filed with the Irish Stock Exchange and is available for viewing at: http://www.ise.ie/debt_documents/babson-euro-clo-2015-1-bv-intra-period-08-31-2017_4776759e-9aa3-4073-a065-78158e878e9a.pdf and the October Payment Date Report will be filed with the Irish Stock Exchange following its completion and publication. Such information has not been audited or otherwise reviewed by any accounting firm. Such information is limited and does not provide a full description of all Collateral Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by the reports. Such reports contain information as of the dates specified therein and none of the reports are calculated as of the date of this Offering Circular. As such, the information in the report may no longer reflect the characteristics of the Collateral Obligations as of the date of this Offering Circular or on or after the Refinancing Date.

The composition of the Collateral will change over time as a result of (i) scheduled and unscheduled principal payments on the Collateral Obligations, (ii) sales of Collateral Obligations and reinvestment of Sale Proceeds and other Principal Proceeds and (iii) other factors, subject to the limitations described under "*The Portfolio*" in the 2015 Offering Circular.

With effect from the Issue Date, the below amends the relevant part of each applicable section in the 2015 Offering Circular and the Deed of Amendment will amend the Collateral Management and Administration Agreement. Purchasers of the Refinancing Notes will be deemed to have approved the modifications to the Collateral Management and Administration Agreement contained in the Deed of Amendment, including (without limitation) in respect of the amendment to the Collateral Quality Tests set out below.

Collateral Quality Tests

For the purpose of Condition 14(c)(xii)and (xvi) (Modification and Waiver), the Noteholders of the Refinancing Notes which are Class A Notes (being the Controlling Class) consent (and will not object) to the modifications to the Collateral Management and Administration Agreement contained in the Deed of Amendment (including but not limited to the modifications set out below) (in the form set out here and in the Deed of Amendment) by their subscription for such Class A Notes, provided that Rating Agency Confirmation (or such other confirmation as the relevant Rating Agency is willing to provide from time to time) that such modification or amendment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency) is received from Fitch and Moody's.

The definition of **Collateral Quality Tests** will be replaced by the following:

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

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

(i) the Moody's Minimum Diversity Test;

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

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

(iv) the Moody's Minimum Weighted Average Floating Spread Test; and

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

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

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

(iii) the Fitch Minimum Weighted Average Spread Test;

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

each as defined in the Collateral Management and Administration Agreement."

Any references to the **Excess Weighted Average Coupon** will be deleted.

Weighted Average Life Test

The definition of **Weighted Average Life Test** will be replaced with the following:

"The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life of all Collateral Obligations 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 25 April 2025."

Moody's Maximum Weighted Average Rating Factor Test

The definition of **Moody's Weighted Average Recovery Adjustment** will be deleted and replaced by:

"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) 39.8; and

(ii) (A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test, 80 and (B) with respect to the adjustment of the Moody's Minimum Weighted Average Floating Spread Test, 0.17 per cent., provided that if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60 per cent., then such Weighted Average Moody's Recovery Rate shall equal 60 per cent. unless Rating Agency Confirmation is obtained;

provided further that the amount specified in clause (b)(i) above may only be allocated once on any Measurement Date and the Collateral Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(ii)(A) and the portion of such amount that shall be allocated to clause (b)(ii)(B) (it being understood that, absent an express designation by the Collateral Manager, all such amounts shall be allocated to clause (b)(ii)(A))."

Fitch Minimum Weighted Average Spread Test

The definition of **Fitch Minimum Weighted Average Spread Test** will be deleted and replaced by:

"The "**Fitch Minimum Weighted Average Spread Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date, the Weighted Average Floating Spread plus the Weighted Average Coupon

Adjustment Percentage equals or exceeds the Fitch Minimum Weighted Average Spread, in each case as at such Measurement Date."

The following new definitions of **Weighted Average Coupon Adjustment Percentage** and **Reference Weighted Average Coupon** will be added:

""**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 Coupon by (b) the number obtained by dividing the Aggregate Principal Balance of all Fixed Rate Collateral Obligations by the Aggregate Principal Balance of all Floating Rate Collateral Obligations (in each case excluding Defaulted Obligations and Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations), and which product may, for the avoidance of doubt, be negative.

"**Reference Weighted Average Coupon**" means 5.50 per cent. "

Moody's Minimum Weighted Average Floating Spread Test

The definition of **Moody's Minimum Weighted Average Floating Spread Test** will be deleted and replaced by:

" "**Moody's Minimum Weighted Average Floating Spread Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date, the Weighted Average Floating Spread plus the Weighted Average Coupon Adjustment Percentage equals or exceeds the Moody's Minimum Weighted Average Floating Spread, in each case as at such Measurement Date. "

Moody's Minimum Weighted Average Coupon Test

Any references to the **Moody's Minimum Weighted Average Coupon Test** will be deleted.

Fitch Minimum Weighted Average Fixed Coupon Test

Any references to the **Fitch Minimum Weighted Average Fixed Coupon Test** will be deleted.

Fitch Test Matrix

With effect from the Issue Date, the Fitch Test Matrix set out in the Collateral Management and Administration Agreement shall be amended in the Deed of Amendment as set out below. Purchasers of the Refinancing Notes will be deemed to have approved the modifications to the Collateral Management and Administration Agreement contained in the Deed of Amendment, including (without limitation) in respect of the amendment to the definition of the Fitch Test Matrix set out below.

For the purpose of Condition 14(c)(xvi) (Modification and Waiver), the Noteholders of the Refinancing Notes which are Class A Notes (being the Controlling Class) consent (and will not object) to the modifications to the Collateral Management and Administration Agreement contained in the Deed of Amendment (including but not limited to the modification of the "Fitch Test Matrix") (in the form set out here and in the Deed of Amendment) by their subscription for such Class A Notes, provided that Rating Agency Confirmation (or such other confirmation as the relevant Rating Agency is willing to provide from time to time that such modification or amendment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency) is received from Fitch and Moody's.

See "The Portfolio – Portfolio Profile Tests and Collateral Quality Tests" in the 2015 Offering Circular.

Fitch Test Matrix

WARR	WARF										
WAS	**30**	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**	**40**
3%	53.00%	55.00%	57.10%	59.00%	60.80%	62.50%	64.10%	66.10%	68.30%	69.40%	71.60%
3.20%	50.90%	53.30%	55.40%	57.50%	59.40%	61.20%	62.90%	64.80%	67.00%	68.20%	70.40%
3.40%	49.10%	51.60%	53.70%	56.00%	57.90%	59.80%	61.60%	63.60%	65.80%	67.00%	69.20%
3.60%	47.30%	49.70%	52.00%	54.30%	56.30%	58.30%	60.30%	62.40%	64.60%	65.80%	68.10%
3.80%	45.50%	48.00%	50.20%	52.60%	54.70%	56.80%	58.90%	61.10%	63.50%	64.70%	67.00%
4%	43.70%	46.30%	48.60%	50.90%	53.10%	55.30%	57.60%	60.00%	62.30%	63.60%	65.90%
4.20%	42.00%	44.70%	47.10%	49.40%	51.60%	53.90%	56.40%	58.80%	61.20%	62.50%	64.70%
4.40%	40.50%	43.20%	45.60%	47.90%	50.00%	52.40%	55.20%	57.60%	60.10%	61.40%	63.60%
4.60%	38.10%	41.80%	44.20%	46.30%	48.60%	51.00%	53.90%	56.40%	58.80%	60.10%	62.40%
4.80%	35.40%	40.30%	42.80%	44.90%	47.20%	49.50%	52.40%	55.10%	57.70%	59.10%	61.40%
5%	32.70%	37.90%	41.40%	43.40%	45.80%	48.30%	51.20%	54.00%	56.70%	58.10%	60.50%

Moody's Test Matrix

With effect from the Issue Date, the Moody's Test Matrix set out in the Collateral Management and Administration Agreement shall be amended in the Deed of Amendment as set out below. Purchasers of the Refinancing Notes will be deemed to have approved the modifications to the Collateral Management and Administration Agreement contained in the Deed of Amendment, including (without limitation) in respect of the amendment to the definition of the Moody's Test Matrix set out below.

For the purpose of Condition 14(c)(xvi) (Modification and Waiver), the Noteholders of the Refinancing Notes which are Class A Notes (being the Controlling Class) consent (and will not object) to the modifications to the Collateral Management and Administration Agreement contained in the Deed of Amendment (including but not limited to the modification of the "Moody's Test Matrix") (in the form set out here and in the Deed of Amendment) by their subscription for such Class A Notes, provided that Rating Agency Confirmation (or such other confirmation as the relevant Rating Agency is willing to provide from time to time that such modification or amendment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency) is received from Fitch and Moody's.

See "The Portfolio – Portfolio Profile Tests and Collateral Quality Tests" in the 2015 Offering Circular.

Moody's Test Matrix

	Minimum Diversity Score											
Min WAS	**30**	**32**	**34**	**35**	**36**	**38**	**40**	**42**	**44**	**46**	**48**	**50**
3.00%	2,475	2,510	2,565	2,580	2,620	2,645	2,690	2,715	2,735	2,755	2,762	2,768
3.10%	2,505	2,540	2,595	2,610	2,650	2,675	2,720	2,745	2,765	2,785	2,805	2,820
3.20%	2,535	2,570	2,625	2,640	2,680	2,705	2,750	2,775	2,795	2,815	2,835	2,850
3.30%	2,565	2,600	2,655	2,670	2,710	2,735	2,780	2,805	2,825	2,845	2,865	2,880
3.40%	2,595	2,630	2,685	2,700	2,740	2,765	2,810	2,835	2,855	2,875	2,895	2,910
3.50%	2,625	2,660	2,715	2,730	2,770	2,795	2,840	2,865	2,885	2,905	2,925	2,940
3.60%	2,660	2,690	2,750	2,765	2,780	2,830	2,875	2,900	2,920	2,940	2,960	2,975
3.70%	2,680	2,725	2,785	2,800	2,815	2,840	2,910	2,935	2,955	2,975	2,995	3,010
3.80%	2,710	2,760	2,815	2,830	2,845	2,870	2,920	2,970	2,990	3,010	3,030	3,045
3.90%	2,735	2,780	2,825	2,840	2,855	2,905	2,955	2,980	3,025	3,045	3,065	3,080
4.00%	2,780	2,835	2,860	2,895	2,910	2,945	2,995	3,033	3,058	3,078	3,120	3,135
4.10%	2,793	2,855	2,895	2,920	2,955	2,970	3,025	3,043	3,100	3,113	3,150	3,170
4.20%	2,823	2,890	2,930	2,945	2,960	3,000	3,038	3,073	3,120	3,143	3,163	3,200
4.30%	2,848	2,900	2,960	2,980	2,995	3,020	3,068	3,115	3,138	3,175	3,193	3,235
4.40%	2,880	2,925	2,980	3,000	3,025	3,050	3,093	3,135	3,170	3,205	3,225	3,243
4.50%	2,915	2,955	3,015	3,035	3,045	3,085	3,128	3,153	3,195	3,218	3,250	3,270
4.60%	2,923	2,985	3,030	3,050	3,068	3,115	3,158	3,183	3,225	3,248	3,280	3,300
4.70%	2,953	3,015	3,053	3,080	3,098	3,123	3,188	3,213	3,255	3,278	3,310	3,330
4.80%	2,983	3,023	3,083	3,095	3,128	3,153	3,196	3,243	3,263	3,308	3,318	3,338
4.90%	2,991	3,053	3,091	3,118	3,136	3,183	3,225	3,273	3,293	3,315	3,348	3,368
5.00%	3,021	3,083	3,121	3,148	3,166	3,213	3,255	3,280	3,323	3,345	3,378	3,398

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 eligibility criteria, as set out in the 2015 Offering Circular, as determined by the Collateral Manager in its reasonable discretion. See "*The Portfolio – Eligibility Criteria*" in the 2015 Offering Circular.

TAX CONSIDERATIONS

1. General

Purchasers of Refinancing Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Refinancing Note.

POTENTIAL PURCHASERS ARE WHOLLY RESPONSIBLE FOR DETERMINING THEIR OWN TAX POSITION IN RESPECT OF THE REFINANCING NOTES. POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT THEIR TAX POSITION ON PURCHASE, OWNERSHIP, TRANSFER OR EXERCISE OF ANY REFINANCING NOTE SHOULD CONSULT THEIR OWN TAX ADVISERS. IN PARTICULAR, NO REPRESENTATION IS MADE AS TO THE MANNER IN WHICH PAYMENTS UNDER THE REFINANCING NOTES WOULD BE CHARACTERISED BY ANY RELEVANT TAXING AUTHORITY. POTENTIAL INVESTORS SHOULD BE AWARE THAT THE RELEVANT FISCAL RULES OR THEIR INTERPRETATION MAY CHANGE, POSSIBLY WITH RETROSPECTIVE EFFECT, AND THAT THIS SUMMARY IS NOT EXHAUSTIVE. THIS SUMMARY DOES NOT CONSTITUTE LEGAL OR TAX ADVICE OR A GUARANTEE TO ANY POTENTIAL INVESTOR OF THE TAX CONSEQUENCES OF INVESTING IN THE REFINANCING NOTES.

2. Netherlands Taxation

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Offering Circular and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Refinancing Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a holder of Refinancing Notes, an individual holding Refinancing Notes or an entity holding Refinancing Notes, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Refinancing Notes or otherwise being regarded as owning Refinancing Notes for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "The Netherlands" or "Dutch" it refers only to the European part of the Kingdom of The Netherlands.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of Refinancing Notes.

Withholding Tax

All payments made by the Issuer of interest and principal under the Refinancing Notes can be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

Residents

Resident entities

An entity holding Refinancing Notes which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from the Refinancing Notes at the prevailing statutory rates.

Resident individuals

An individual holding Refinancing Notes who is or is deemed to be resident in The Netherlands for Dutch income tax purposes will be subject to income tax in The Netherlands in respect of income or a capital gain derived from the Refinancing Notes at rates up to 52 per cent if:

(i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or

(ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding Refinancing Notes will be subject to Dutch income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Refinancing Notes. For the year 2017 the deemed return ranges from 2.87 per cent. to 5.39 per cent. of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Refinancing Notes). The applicable rates will be updated annually on the basis of historic market yields. Subject to application of certain allowances, the deemed return will be taxed at a rate of 30 per cent.

Non-residents

A holder which is not and is not deemed to be resident in The Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from the Refinancing Notes unless:

(i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in The Netherlands and the holder of Refinancing Notes derives profits from such enterprise (other than by way of the holding of securities); or

(ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

Gift and Inheritance Tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of Refinancing Notes by way of gift by, or on the death of, a holder of Refinancing Notes, unless:

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

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

Value Added Tax

There is no Dutch value added tax payable by a holder of Refinancing Notes in respect of payments in consideration for the acquisition of the Refinancing Notes, payments of interest or principal under the Refinancing Notes, or payments in consideration for a disposal of Refinancing Notes.

Other Taxes and Duties

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

Residence

A holder of Refinancing Notes will not be and will not be deemed to be resident in The Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of Refinancing Notes or the execution, performance, delivery and/or enforcement of Refinancing Notes.

3. **United States Federal Income Taxation**

Introduction

This is a discussion of the principal U.S. federal income tax consequences of the acquisition, ownership, disposition, and retirement of the Refinancing Notes. Except as expressly set out below, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Noteholder based on such Noteholder's particular circumstances, nor does it address any aspect of state, local, or non-U.S. tax laws, alternative minimum tax considerations, Medicare contribution tax considerations 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 Noteholders that are subject to special treatment, including Noteholders that:

(i) are broker-dealers, securities traders, insurance companies, tax-exempt organisations, financial institutions, real estate investment trusts, regulated investment companies or grantor trusts;

(ii) are certain former citizens or long-term residents of the United States;

(iii) hold Refinancing Notes as part of a "straddle", "hedge", "conversion", "integrated transaction" or "constructive sale" with other investments; or

(iv) own or are deemed to own 10 per cent. or more, by voting power or value, of the equity of the Issuer (including Subordinated Notes and any Notes treated as equity for U.S. federal income tax purposes).

This discussion considers only Noteholders that will hold Refinancing Notes as capital assets and does not address special tax consequences that apply to U.S. Noteholders (as defined below) whose functional currency is not the U.S. dollar. This discussion is generally limited to the tax consequences to initial Noteholders that purchase Refinancing Notes upon their initial issue at their issue price (as defined below).

For purposes of this discussion, "**U.S. Noteholder**" means a beneficial owner of a Refinancing Note that is, for U.S. federal income tax purposes:

(i) a 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. Noteholder**" means, for purposes of this discussion, a beneficial owner of the Refinancing Notes that is not a U.S. Noteholder.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds the Refinancing Notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to the consequences of the acquisition, ownership, disposition and retirement of the Refinancing Notes.

This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), existing and proposed regulations thereunder, and current administrative rulings and court decisions, each as available and in effect as of the date hereof. All of the foregoing are subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion. Furthermore, there are no cases or rulings by the U.S. Internal Revenue Service (the "**IRS**") addressing entities similar to the Issuer or securities similar to the Refinancing Notes. As a result, the IRS might disagree with all or part of the discussion below. No rulings will be requested of the IRS regarding the issues discussed below or the U.S. federal income tax characterisation of the Refinancing Notes.

Prospective Noteholders should consult their tax advisor concerning the application of U.S. federal income tax laws, as well as the laws of any state or local taxing jurisdiction, to their particular situation.

Investors should be aware that a Noteholder may, in certain circumstances, provide the Issuer with cash by way of a Contribution in accordance with Condition 3(d) (*Contributions*). Except as expressly set out below, this discussion does not address the consequences to Noteholders of Contributions.

U.S. Characterisation and U.S. Tax Treatment of the Refinancing Notes

Characterisation of the Refinancing Notes. Upon the issuance of the Refinancing Notes, Allen & Overy 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 as debt of the Issuer for U.S. federal income tax purposes. The Issuer has agreed and, by its acceptance of a Refinancing Note, each Noteholder of a Refinancing Note (or any interest therein) will be deemed to have agreed, to treat the Refinancing Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. The determination of whether a Refinancing Note will be treated as debt for United States federal income tax purposes is based on the facts and circumstances existing at the time the Refinancing Note is

issued. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterise as something other than indebtedness any particular Class or Classes of the Refinancing Notes. Except as discussed under "— *Alternative Characterisation of the Rated Notes*" below, the balance of this discussion assumes that the Refinancing Notes of all Classes will be characterised as debt of the Issuer for U.S. federal income tax purposes.

Payments of Interest on the Refinancing Notes. A U.S. Noteholder of a Refinancing Note that uses the cash method of accounting must include in income the U.S. dollar value of Euro interest paid when received. Euro interest received is translated at the U.S. dollar spot rate of Euro on the date of receipt, regardless of whether the payment is converted into U.S. dollars on the date of receipt. A cash method U.S. Noteholder therefore generally will not have foreign currency gain or loss on receipt of a Euro interest payment but may have foreign currency gain or loss upon disposing of the Euro received.

A U.S. Noteholder of a Refinancing Note that uses the accrual method of accounting or any U.S. Noteholder required to accrue original issue discount ("**OID**") will be required to include in income the U.S. dollar value of Euro interest accrued during the accrual period. An accrual basis U.S. Noteholder may determine the amount of income recognised with respect to such interest using either of two methods, in either case regardless of whether the payments are in fact converted into U.S. dollars on the date of receipt. Under the first method, the U.S. dollar value of accrued interest is translated at the average Euro rate for the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year). An accrual method U.S. Noteholder of a Refinancing Note that uses this first method will therefore recognise foreign currency gain or loss, as the case may be, on interest paid to the extent that the U.S. dollar/Euro exchange rate on the date the interest is received differs from the rate at which the interest income was accrued. Under the second method, the U.S. Noteholder can elect to accrue interest at the Euro spot rate on the last day of an interest accrual period (or, in the case of an accrual period that spans two taxable years, at the exchange rate in effect on the last day of the partial period within the taxable year) or, if the last day of an interest accrual period is within five business days of the receipt of such interest, the spot rate on the date of receipt. An election to accrue interest at the spot rate generally will apply to all foreign currency denominated debt instruments held by the U.S. Noteholder, and is irrevocable without the consent of the IRS. Regardless of the method used to accrue interest, a U.S. Noteholder may have additional foreign currency gain or loss upon a subsequent disposition of the Euro received.

For U.S. federal income tax purposes, OID is the excess of the "stated redemption price at maturity" of a debt instrument over its "issue price", if that excess equals or exceeds ¼ of 1 per cent. of the debt instrument's stated redemption price at maturity multiplied by the number of complete years from its issue date to its maturity or weighted average maturity in the case of instalment obligations (the "**OID de minimis amount**"). The "stated redemption price at maturity" of a debt instrument such as the Refinancing Notes is the sum of all payments required to be made on the Refinancing Note other than "qualified stated interest" payments. The "**issue price**" of a Refinancing Note generally is the first offering price to the public at which a substantial amount of the debt instrument is sold. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the Issuer), or that is treated as constructively received, at least annually at a single fixed rate or, under certain conditions discussed below, at a variable rate.

The Refinancing Notes may be debt instruments described in Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules principally relating to the accrual of OID, market discount, and bond premium apply to debt instruments described in Section 1272(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Treasury Regulation Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

If a U.S. Noteholder holds a Refinancing Note with OID (an "**OID Note**") such U.S. Noteholder may be required to include OID in income before receipt of the associated cash payment, regardless of the U.S. Noteholder's accounting method for tax purposes. If the U.S. Noteholder is an initial purchaser of an OID Note, the amount of the OID includible in income is the sum of the daily accruals of the OID for the Refinancing Note for each day during the taxable year (or portion of the taxable year) in which such U.S. Noteholder held the OID Note. The daily portion is determined by allocating the OID for each day of the accrual period. An accrual period may be of any length and the accrual periods may

even vary in length over the term of the OID Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day of an accrual period or on the final day of an accrual period. The amount of OID allocable to an accrual period is equal to the difference between: (a) the product of the "adjusted issue price" of the OID Note at the beginning of the accrual period and its yield to maturity (computed generally on a constant yield method and compounded at the end of each accrual period, taking into account the length of the particular accrual period); and (b) the amount of any qualified stated interest allocable to the accrual period. The "adjusted issue price" of an OID Note at the beginning of any accrual period is the sum of the issue price of the OID Note plus the amount of OID allocable to all prior accrual periods reduced by any payments the U.S. Noteholder received on the OID Note that were not qualified stated interest. Under these rules, the U.S. Noteholder generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

Each class of Refinancing Notes will be "variable rate debt instruments" if such class of Refinancing Notes (a) has an issue price that does not exceed the total non-contingent principal payments on such class of Refinancing Notes by more than an amount equal to the lesser of: (i) 0.015 multiplied by the product of such total non-contingent principal payments and the number of complete years to maturity of such class of Refinancing Notes; and (ii) 15 per cent. of the total non-contingent principal payments on such class of Refinancing Notes; (b) provides for stated interest (compounded or paid at least annually) at the current value of one or more qualified floating rates, including the EURIBOR rate, on such class of Refinancing Notes; and (c) does not provide for any principal payments that are contingent. The Refinancing Notes will qualify as variable rate debt instruments, provided the issue price is not more than 115,000 Euros per 100,000 Euro principal amount. Interest payments on certain "variable rate debt instruments" may be considered qualified stated interest.

If a debt instrument that provides for a variable rate of interest does not qualify as a variable rate debt instrument, the debt instrument will be treated as a contingent payment debt instrument. Thus, if any class of the Refinancing Notes does not qualify as a variable rate debt instrument, a U.S. Noteholder would be required to report income in respect of such Refinancing Notes in accordance with U.S. Treasury regulations relating to contingent payment debt instruments, which generally require a U.S. Noteholder to accrue interest on a constant yield basis based on a projected payment schedule determined by the Issuer. The contingent payment debt instrument rules are complex and investors should consult with their own tax advisors with respect to the potential taxation of the Refinancing Notes under the contingent payment debt instrument rules.

Because the OID rules are complex, each U.S. Noteholder of an OID Note should consult with its own tax advisor regarding the acquisition, ownership, disposition and retirement of such Refinancing Note.

Interest on the Refinancing Notes received by a U.S. Noteholder 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, Redemption or Repayment of the Refinancing Notes. Unless a non-recognition provision applies, a U.S. Noteholder generally will recognise gain or loss on the sale, exchange, repayment or other disposition of a Refinancing Note equal to the difference between the amount realised plus the fair market value of any property received on the disposition (other than amounts attributable to accrued but unpaid interest) and the U.S. Noteholder's adjusted tax basis in such Refinancing Note.

The amount realised on the sale, exchange, redemption or repayment of a Refinancing Note generally is determined by translating the Euro proceeds into U.S. dollars at the spot rate on the date the Refinancing Note is disposed of, while a U.S. Noteholder's adjusted tax basis in a Refinancing Note generally will be the cost of the Refinancing Note to the U.S. Noteholder, determined by translating the Euro purchase price into U.S. dollars at the spot rate on the date the Refinancing Note was purchased, and increased by the amount of any OID accrued and reduced by any payments other than payments of qualified stated interest of such Refinancing Note. If, however, the Refinancing Notes are traded on an established securities market, a cash basis U.S. Noteholder or electing accrual basis U.S. Noteholder will determine the amount realised on the settlement date. An election by an accrual basis U.S. Noteholder to apply the spot exchange rate on the settlement date will be subject to the rules regarding currency translation elections described above, and cannot be changed without the consent of the IRS. The amount of foreign currency gain or loss realised with respect to accrued but unpaid interest is the

difference between the U.S. Dollar value of the interest based on the spot exchange rate on the date the Refinancing Notes are disposed of and the U.S. Dollar value at which the interest was previously accrued. A U.S. Noteholder will have a tax basis in Euro received on the sale, exchange or retirement of a Refinancing Note equal to the U.S. dollar value of the Euro on the relevant date. Foreign currency gain or loss on a sale, exchange, redemption or repayment of a Refinancing Note is recognised only to the extent of total gain or loss on the transaction.

Foreign currency gain or loss recognised by a U.S. Noteholder on the sale, exchange or other disposition of a Refinancing Note (including repayment at maturity) generally will be treated as ordinary income or loss. Gain or loss in excess of foreign currency gain or loss on a Refinancing Note generally will be treated as capital gain or loss. The deductibility of capital losses is subject to limitations. In the case of a non-corporate U.S. Noteholder, preferential rates may apply to any capital gain if such U.S. Noteholder's holding period for such Refinancing Notes exceeds one year.

Alternative Characterisation of the Refinancing Notes. It is possible that the IRS may contend that any Class of Refinancing Notes should be treated in whole or in part as equity interests in the Issuer. Such a recharacterisation might result in material adverse U.S. federal income tax consequences to U.S. Noteholders. If U.S. Noteholders of one or more Classes of the Refinancing Notes were treated as owning equity interests in the Issuer, the U.S. federal income tax consequences to those U.S. Noteholders would be as described in the 2015 Offering Circular under "*United States Federal Income Taxation — U.S. Tax Treatment of U.S. Noteholders of the Subordinated Notes*" and "*—Transfer and Other Reporting Requirements*."

Reporting Requirements

Certain U.S. Noteholders will be subject to reporting obligations with respect to their Refinancing Notes if they do not hold them in an account maintained by a financial institution and the aggregate value of their Refinancing Notes and certain other "specified foreign financial assets" exceeds certain US dollar thresholds on the last day of the taxable year. Significant penalties can apply if a U.S. Noteholder is required to disclose its Refinancing Notes and fails to do so.

A participant in a "reportable transaction" is required to disclose its participation in such a transaction on IRS Form 8886. Any foreign currency exchange loss in excess of $50,000 recognised by a U.S. Noteholder may be subject to this disclosure requirement. Failure to comply with this disclosure requirement can result in substantial penalties. U.S. Noteholders should consult their advisers with respect to the requirement to disclose reportable transactions.

U.S. Tax Treatment of Non-U.S. Noteholders of Refinancing Notes

Subject to the discussions below under "*Information Reporting and Backup Withholding*", payments, including interest, OID and any amounts treated as dividends, on a Refinancing Note to a non-U.S. Noteholder and gain realised on the sale, exchange or retirement of a Refinancing Note by a non-U.S. Noteholder, 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. Noteholder in the United States; or (b) in the case of federal income tax imposed on gain, such non-U.S. Noteholder is a non-resident alien individual who holds a Refinancing Note as a capital asset and is present in the United States for 183 days or more in the taxable year of sale and certain other conditions are satisfied.

Information Reporting and Backup Withholding

The amount of interest and principal paid or accrued on the Refinancing Notes, and the proceeds from the sale of a Refinancing Note, in each case, paid within the United States or by a U.S. payor or U.S. middleman to a U.S. person (other than a corporation or other exempt recipient) will be reported to the IRS. Under the Code, a U.S. person may be subject, under certain circumstances, to "backup withholding tax" with respect to interest and principal on a Refinancing Note or the gross proceeds from the sale of a Refinancing Note paid within the United States or by a U.S. middleman or United States payor to a U.S. Person. Backup withholding tax generally applies only if the U.S. person: (a) fails to furnish its social security or other taxpayer identification number within a reasonable time after the request therefore; (b) furnishes an incorrect taxpayer identification number; (c) is notified by the IRS that it has failed to properly report interest OID or dividends; or (d) fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that it has furnished a

correct taxpayer identification number and has not been notified by the IRS that it is subject to backup withholding tax for failure to report interest and dividend payments.

Non-U.S. Noteholders or, in certain cases, their beneficial owners may be required to comply with certification procedures to establish that they are not U.S. Noteholders in order to avoid information reporting and backup withholding tax.

Backup withholding is not an additional tax. The amount of any backup withholding collected from a payment will be allowed as a credit against the recipient's U.S. federal income tax liability and may entitle the recipient to a refund, so long as the required information is properly furnished to the IRS. Noteholders should consult their own tax advisers about any additional reporting requirements that may arise as a result of their purchasing, holding or disposing of Refinancing Notes.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR NOTEHOLDER. EACH PROSPECTIVE NOTEHOLDER IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE REFINANCING NOTES UNDER THE NOTEHOLDER'S OWN CIRCUMSTANCES.

Foreign Account Tax Compliance Act

Pursuant to FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer expects to be a foreign financial institution for these purposes. A number of jurisdictions (including The Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Refinancing Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Refinancing Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Refinancing Notes, such withholding would not apply prior to 1 January 2019 and Refinancing Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Refinancing Notes, no person will be required to pay additional amounts as a result of the withholding.

Each Noteholder may be required to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or an Intermediary) to identify and report on the Noteholder and certain of the Noteholder's direct and indirect U.S. beneficial owners to the IRS or a Dutch authority. Further, the Noteholder will be required to permit the Issuer to share such information with the relevant taxing authority. Although certain exceptions to these disclosure requirements could apply, each Noteholder should assume that the failure to provide the required information generally will compel the Issuer (or an Intermediary) to force the sale of the Noteholder's Refinancing Notes (and such sale could be for less than its then fair market value).

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.

Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Refinancing Notes.

ADDITIONAL ERISA CONSIDERATIONS

In addition to the ERISA considerations described in the 2015 Offering Circular under "*Certain ERISA Considerations,*" each purchaser and transferee of any Refinancing Note or interest therein that is a Benefit Plan Investor shall be required or deemed to represent and warrant to the Issuer, on each day from the date on which such beneficial owner acquires such Refinancing Note or interest therein through and including the date on which it disposes of such Refinancing Note or interest therein, and at any time when regulation 29 C.F.R. Section 2510.3-21, as modified in 2016, is applicable, that the fiduciary making the decision to invest in the Refinancing Notes on its behalf (the "**Independent Fiduciary**") (a) is a bank, insurance company, registered investment adviser, broker-dealer or other person with financial expertise, in each case as described in 29 C.F.R. Section 2510.3-21(c)(1)(i); (b) is an independent plan fiduciary within the meaning of 29 C.F.R. Section 2510.3-21(c); (c) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) is responsible for exercising independent judgment in evaluating the acquisition, holding and disposition of the Refinancing Notes; and (e) neither the Benefit Plan Investor nor the Independent Fiduciary is paying or has paid any fee or other compensation to any of the Issuer, the Initial Purchaser, the Arranger, the Collateral Manager or the Collateral Administrator for investment advice (as opposed to other services) in connection with its acquisition or holding of the Refinancing Notes. In addition, each such purchaser or transferee will be required or deemed to acknowledge and agree that the Independent Fiduciary (x) has been informed that none of the Issuer, the Initial Purchaser, the Arranger, the Collateral Manager or the Collateral Administrator, or other persons that provide marketing services, nor any of their Affiliates, has provided, and none of them will provide, impartial investment advice and they are not giving any advice in a fiduciary capacity, in connection with the purchaser or transferee's acquisition or holding of the Refinancing Notes and (y) has received and understands the disclosure of the existence and nature of the financial interests contained in the Offering Circular and related materials. The term "Benefit Plan Investor" includes: (a) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Part 4 of Title I of ERISA, (b) a plan subject to Section 4975 of the Code or (c) an entity whose underlying assets include "plan assets" by reason of any such employee benefit plan or plan's investment in the entity.

PLAN OF DISTRIBUTION

This Plan of Distribution should be read in conjunction with the "Plan of Distribution" in the 2015 Offering Circular. The following section consists of a summary of certain provisions of the Placement Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.

Goldman Sachs International (in its capacity as placement agent, the "**Placement Agent**") has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of the Refinancing Notes (the "**Subscribed Notes**") pursuant to the 2017 Placement Agreement, at the following issue prices:

(i) Class A-1 Notes, 100.00 per cent.;

(ii) Class A-2 Notes, 100.00 per cent.;

(iii) Class B-1 Notes, 100.00 per cent.;

(iv) Class B-2 Notes, 100.00 per cent.;

(v) Class C Notes, 100.00 per cent.; and

(vi) Class D Notes, 100.00 per cent.,

in each case less subscription and underwriting fees to be agreed between the Issuer and the Placement Agent. The 2017 Placement Agreement entitles the Placement Agent to terminate it in certain circumstances prior to payment being made to the Issuer.

The Placement Agent may offer the Refinancing Notes at other prices as may be negotiated at the time of sale.

The Collateral Manager has agreed with the Placement Agent, subject to the satisfaction of certain conditions, to purchase the Retention Notes relating to the Subscribed Notes on the Issue Date at their respective issue prices specified above.

It is a condition of the issue of each Class of Refinancing Notes that the Refinancing Notes of each Class of Refinancing Note be issued in the following principal amounts: Class A-1 Notes: €206,700,000, Class A-2 Notes: €5,300,000, Class B-1 Notes: €32,600,000, Class B-2 Notes: €10,600,000, Class C Notes: €22,000,000 and Class D Notes: €21,600,000.

The Issuer has agreed to indemnify the Placement Agent, the Collateral Manager, the Collateral Administrator, the Trustee and certain other participants against certain liabilities or to contribute to payments they may be required to make in respect thereof.

Certain of the Collateral Obligations may have been originally underwritten or placed by the Placement Agent. In addition, the Placement Agent may have in the past performed and may in the future perform investment banking services or other services for issuers of the Collateral Obligations. In addition, the Placement Agent and its Affiliates may from time to time, as a principal or through one or more investment funds that it or they manage, make investments in the equity securities of one or more of the issuers of the Collateral Obligations, with a result that one or more of such issuers may be or may become controlled by the Placement Agent or its Affiliates.

No action has been or will be taken by the Issuer, the Placement Agent or the Collateral Manager that would permit a public offering of the Refinancing Notes or possession or distribution of this Offering Circular or any other offering material in relation to the Refinancing Notes in any jurisdiction where action for the purpose is required other than the application and the approval of this Offering Circular with and by the Irish Stock Exchange and the Central Bank. No offers, sales or deliveries of any Refinancing Notes, or distribution of this Offering Circular or any other offering material relating to the Refinancing Notes, may be made in or from any

jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Placement Agent.

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

The Refinancing Notes sold in reliance on Rule 144A will be issued in Minimum Denominations of €250,000 and Authorised Integral Amounts 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. The Refinancing Notes sold in reliance on Regulation S will be issued in Minimum Denominations of €100,000. After the Refinancing Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Placement Agent.

The Placement Agent 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 Refinancing Notes and for the listing of the Refinancing Notes of each Class on the Global Exchange Market of the Irish Stock Exchange. The Issuer and the Placement Agent 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 Refinancing Notes which may be offered. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Offering Circular to any such U.S. Person or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

In addition to the selling restrictions contained in the 2015 Offering Circular, which will be deemed to apply in respect of the Refinancing Notes, the Placement Agent has also agreed to comply with the following selling restrictions *Retail Investor Restriction*: The Refinancing Notes will not be made available, or sold, to a retail investor. For these purposes, a retail investor means (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of Directive 2014/65/EU.

TRANSFER RESTRICTIONS

For the avoidance of doubt, the section entitled "Transfer Restrictions" in the 2015 Offering Circular applies as if set out in full in this Offering Circular.

Additional Transfer Restrictions

In addition to the representations and restrictions set forth in the section entitled "*Transfer Restrictions*" in the 2015 Offering Circular, each purchaser and transferee of the Refinancing Notes will be deemed to have represented and agreed as follows:

1. With respect to the purchase or transfer of any Refinancing Note or interest therein by a Benefit Plan Investor, on each day from the date on which the beneficial owner acquires such Refinancing Note or interest therein through and including the date on which it disposes of such Refinancing Note or interest therein, and at any time when regulation 29 C.F.R. Section 2510.3-21, as modified in 2016, is applicable, that the fiduciary making the decision to invest in the Refinancing Notes on its behalf (the "**Independent Fiduciary**") (a) is a bank, insurance company, registered investment adviser, broker-dealer or other person with financial expertise, in each case as described in 29 C.F.R. Section 2510.3- 21(c)(1)(i); (b) is an independent plan fiduciary within the meaning of 29 C.F.R. Section 2510.3-21(c); (c) is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies; (d) is responsible for exercising independent judgement in evaluating the acquisition, holding and disposition of the Refinancing Notes; and (e) neither the Benefit Plan Investor nor the Independent Fiduciary is paying or has paid any fee or other compensation to any of the Issuer, the Placement Agent, the Sole Arranger, the Collateral Manager or the Collateral Administrator for investment advice (as opposed to other services) in connection with its acquisition or holding of the Refinancing Notes. In addition, each such purchaser or transferee will be required or deemed to acknowledge and agree that the Independent Fiduciary (x) has been informed that none of the Issuer, the Placement Agent, the Sole Arranger, the Collateral Manager or the Collateral Administrator, or other persons that provide marketing services, nor any of their Affiliates, has provided, and none of them will provide, impartial investment advice and they are not giving any advice in a fiduciary capacity, in connection with the purchaser or transferee's acquisition or holding of the Refinancing Notes and (y) has received and understands the disclosure of the existence and nature of the financial interests contained in the Offering Circular and related materials.

2. The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Refinancing Notes will bear the legend set forth below in addition to the legend set forth in the section entitled "Transfer Restrictions" in the 2015 Offering Circular:

   EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR INTEREST HEREIN THAT IS A BENEFIT PLAN INVESTOR SHALL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT TO THE ISSUER, ON EACH DAY FROM THE DATE ON WHICH SUCH BENEFICIAL OWNER ACQUIRES THIS NOTE OR INTEREST HEREIN THROUGH AND INCLUDING THE DATE ON WHICH IT DISPOSES OF THIS NOTE OR INTEREST HEREIN, AND AT ANY TIME WHEN REGULATION 29 C.F.R. SECTION 2510.3-21, AS MODIFIED IN 2016, IS APPLICABLE, THAT THE FIDUCIARY MAKING THE DECISION TO INVEST IN THIS NOTE ON ITS BEHALF (THE "**INDEPENDENT FIDUCIARY**") (A) IS A BANK, INSURANCE COMPANY, REGISTERED INVESTMENT ADVISER, BROKER-DEALER OR OTHER PERSON WITH FINANCIAL EXPERTISE, IN EACH CASE AS DESCRIBED IN 29 C.F.R. SECTION 2510.3-21(C)(1)(I); (B) IS AN INDEPENDENT PLAN FIDUCIARY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3- 21(C); (C) IS CAPABLE OF EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH REGARD TO PARTICULAR TRANSACTIONS AND INVESTMENT STRATEGIES; (D) IS RESPONSIBLE FOR EXERCISING INDEPENDENT JUDGEMENT IN EVALUATING THE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE; AND (E)

NEITHER THE BENEFIT PLAN INVESTOR NOR THE INDEPENDENT FIDUCIARY IS PAYING OR HAS PAID ANY FEE OR OTHER COMPENSATION TO ANY OF THE ISSUER, THE PLACEMENT AGENT, THE SOLE ARRANGER, THE COLLATERAL MANAGER OR THE COLLATERAL ADMINISTRATOR FOR INVESTMENT ADVICE (AS OPPOSED TO OTHER SERVICES) IN CONNECTION WITH ITS ACQUISITION OR HOLDING OF THIS NOTE. IN ADDITION, EACH SUCH PURCHASER OR TRANSFEREE WILL BE REQUIRED OR DEEMED TO ACKNOWLEDGE AND AGREE THAT THE INDEPENDENT FIDUCIARY (X) HAS BEEN INFORMED THAT NONE OF THE ISSUER, THE PLACEMENT AGENT, THE SOLE ARRANGER, THE COLLATERAL MANAGER OR THE COLLATERAL ADMINISTRATOR, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, NOR ANY OF THEIR AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, IMPARTIAL INVESTMENT ADVICE AND THEY ARE NOT GIVING ANY ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE PURCHASER OR TRANSFEREE'S ACQUISITION OR HOLDING OF THIS NOTE AND (Y) HAS RECEIVED AND UNDERSTANDS THE DISCLOSURE OF THE EXISTENCE AND NATURE OF THE FINANCIAL INTERESTS CONTAINED IN THE OFFERING CIRCULAR AND RELATED MATERIALS.

RULE 17G-5 COMPLIANCE

The Issuer, in order to permit the Rating Agencies to comply with their obligations under Rule 17g-5 promulgated under the Exchange Act ("**Rule 17g-5**"), has agreed to post (or have its agent post) on a password-protected internet website (the "**Rule 17g-5 website**"), at the same time such information is provided to the Rating Agencies, all information (which will not include any reports from the Issuer's independent public accountants) that the Issuer or other parties on its behalf, including the Collateral Manager, provide to the Rating Agencies for the purposes of determining the initial credit rating of the Rated Notes or undertaking credit rating surveillance of the Rated Notes; provided, however, that, prior to the occurrence of an Event of Default, without the prior written consent of the Collateral Manager, no party other than the Issuer or Elavon Financial Services Designated Activity Company may provide information to the Rating Agencies on the Issuer's behalf. On the Issue Date, the Issuer will engage Elavon Financial Services Designated Activity Company, in accordance with the Collateral Management and Administration Agreement, to assist the Issuer in complying with certain of the posting requirements under Rule 17g-5 (in such capacity, the "**Information Agent**"). Any notices or requests to, or any other written communications with or written information provided to, the Rating Agencies, or any of its officers, directors or employees, to be given or provided to such Rating Agencies pursuant to, in connection with or related, directly or indirectly, to the Trust Deed as amended and supplemented by the Deed of Amendment, the Collateral Management and Administration Agreement, any Transaction Document relating thereto, the Portfolio or the Notes, will be in each case furnished directly to the Rating Agencies after a copy has been delivered to the Information Agent or the Issuer for posting to the Rule 17g-5 website.

GENERAL INFORMATION

Clearing Systems

The Refinancing Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

	Regulation S		Rule 144A	
	Common Code	ISIN	Common Code	ISIN
Class A-1R CM Voting Notes	169995443	XS1699954431	169995451	XS1699954514
Class A-1R CM Non-Voting Exchangeable Notes	169995486	XS1699954860	169995494	XS1699954944
Class A-1R CM Non-Voting Notes	169995460	XS1699954605	169995478	XS1699954787
Class A-2R CM Voting Notes	169995508	XS1699955081	169995516	XS1699955164
Class A-2R CM Non-Voting Exchangeable Notes	169995559	XS1699955594	169995567	XS1699955677
Class A-2R CM Non-Voting Notes	169995524	XS1699955248	169995532	XS1699955321
Class B-1R CM Voting Notes	169995575	XS1699955750	169995591	XS1699955917
Class B-1R CM Non-Voting Exchangeable Notes	169995613	XS1699956139	169995621	XS1699956212
Class B-1R CM Non-Voting Notes	169995583	XS1699955834	169995605	XS1699956055
Class B-2R CM Voting Notes	169995630	XS1699956303	169995648	XS1699956485
Class B-2R CM Non-Voting Exchangeable Notes	169995672	XS1699956725	169995699	XS1699956998
Class B-2R CM Non-Voting Notes	169995656	XS1699956568	169995664	XS1699956642
Class CR CM Voting Notes	169995826	XS1699958267	169995729	XS1699957293
Class CR CM Non-Voting Exchangeable Notes	169995753	XS1699957533	169995761	XS1699957616
Class CR CM Non-Voting Notes	169995737	XS1699957376	169995702	XS1699957020
Class DR CM Voting Notes	169995745	XS1699957459	169995788	XS1699957889
Class DR CM Non-Voting Exchangeable Notes	169995800	XS1699958002	169995818	XS1699958184
Class DR CM Non-Voting Notes	169995796	XS1699957962	169995770	XS1699957707

Listing

Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List and trading on its Global Exchange Market. Application has been made to the Irish Stock Exchange for this Offering Circular to be approved as listing particulars. There can be no assurance that such listing will be maintained.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands (if any) in connection with the issue and performance of the Refinancing Notes. The issue of the Refinancing Notes was authorised by resolutions of the board of directors of the Issuer passed on 23 October 2017.

No Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer since 30 November 2016 and there has been no material adverse change in the financial position or prospects of the Issuer since 30 November 2016.

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) during the period covering the last 12 months which may have, or have had in the recent past, a significant effect on the Issuer's financial position or profitability.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Refinancing Notes and is not itself seeking admission of the Refinancing Notes to the Official List of the Irish Stock Exchange or to trading on the Global Exchange Market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

Documents Available

Copies of the following documents may be inspected in electronic format (and, in the case of each of (h) and (i), will be available for collection free of charge) at the registered offices of the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes:

(a) the constitutional documents of the Issuer;

(b) the Deed of Amendment and the Trust Deed (which, together, include the form of each Note of each Class);

(c) the Agency and Account Bank Agreement;

(d) the Collateral Management and Administration Agreement;

(e) the Issuer Management Agreement;

(f) the U.S. Credit Risk Retention Letter;

(g) each Hedge Agreement (if any);

(h) each Monthly Report;

(i) each Payment Date Report; and

(j) the audited financial statements for the years ending 30 November 2015 and 30 November 2016 together with the audit reports.

Post Issuance Reporting

The Issuer will provide post-issuance transaction information in relation to the issue of the Notes.

Enforceability of Judgments

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands. None of the directors of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon civil liability provisions of the securities laws of the United States or any State or territory within the United States.

As the United States and The Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters, a final judgment rendered by any federal court in the United States based on civil liability would not be enforceable in The Netherlands. However, if the party in whose favour such final judgment is rendered brings a new suit in a competent court in The Netherlands, such party may submit to a Dutch court the final judgment that has been rendered in the United States. Common law rules apply in order to determine whether a judgment of the United States courts shall be recognised and will then be enforceable in The Netherlands. A judgment of the United States courts will be recognised by the courts of The Netherlands if the following general requirements are met:

(i) the United States court rendering the judgment had jurisdiction over the subject matter of the litigation on internationally acceptable grounds and has conducted the proceedings in accordance with general principles of fair trial;

(ii) the foreign judgment is final and definite; and

(iii) such recognition is not in conflict with an existing Dutch judgment or with Dutch public policy (i.e. a fundamental principle of Dutch law).

Foreign Language

The language of the Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct meaning may be ascribed to them under applicable law.

GLOSSARY OF DEFINED TERMS

ANNEX A

2015 OFFERING CIRCULAR

BABSON EURO CLO 2015-1 B.V.

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

€206,700,000 Class A-1 Senior Secured Floating Rate Notes due 2029
€5,300,000 Class A-2 Senior Secured Fixed Rate Notes due 2029
€26,400,000 Class A-3 Senior Secured Fixed/Floating Rate Notes due 2029
€32,600,000 Class B-1 Senior Secured Floating Rate Notes due 2029
€10,600,000 Class B-2 Senior Secured Fixed Rate Notes due 2029
€22,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2029
€21,600,000 Class D Senior Secured Deferrable Floating Rate Notes due 2029
€31,200,000 Class E Senior Secured Deferrable Floating Rate Notes due 2029
€12,400,000 Class F Senior Secured Deferrable Floating Rate Notes due 2029
€47,400,000 Subordinated Notes due 2029

The assets securing the Notes (as defined below) will consist of a portfolio of predominantly Secured Senior Obligations, Secured Senior Notes, Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds managed by Babson Capital Management (UK) Limited (the "**Collateral Manager**").

Babson Euro CLO 2015-1 B.V. (the "**Issuer**") will issue the Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes (each as defined herein).

The Class A-1 Notes, the Class A-2 Notes, the Class A-3 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, Class D Notes, the Class E Notes and the Class F Notes (such Classes, the "**Rated Notes**") together with the Subordinated Notes are collectively referred to herein as the "Notes". The Notes will be issued and secured pursuant to a trust deed (the "**Trust Deed**") dated on or about 8 September 2015 (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 Notes will be payable quarterly in arrear on 25 January, 25 April, 25 July and 25 October prior to the occurrence of a Frequency Switch Event (as defined herein) and semi-annually in arrear on 25 January and 25 July (where the Payment Date (as defined herein) immediately following the occurrence of a Frequency Switch Event falls in either January or July) or 25 April and 25 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) following the occurrence of a Frequency Switch Event (or, in each case, if such day is not a Business Day (as defined herein), then on the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)) in each year, commencing on 25 April 2016 and ending on the Maturity Date (as defined below) in accordance with the Priorities of Payments described herein.

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

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

This Offering Circular does not constitute a prospectus for the purposes of Article 5 of Directive 2003/71/EC (as amended) (the "**Prospectus Directive**"). The Issuer is not offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List (the "**Official List**") and trading on the Global Exchange Market of the Irish Stock Exchange (the "**Global Exchange Market**"). There can be no assurance that any such approval will be maintained. This Offering Circular constitutes listing particulars for the purpose of this application and has been approved by the Irish Stock Exchange.

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

The Notes have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered only: (a) outside the United States to non-U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")); and (b) within the United States to persons and outside the United States to U.S. Persons (as such term is defined in Regulation S ("**U.S. Persons**")), in each case, who are both qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and qualified purchasers for the purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Issuer will not be registered under the Investment Company Act. Interests in the Notes will be subject to certain restrictions on transfer, and each purchaser of the Notes offered hereby in making its purchase will make certain acknowledgements, representations and agreements (actual or deemed). See "*Plan of Distribution*" and "*Transfer Restrictions*" below.

The Notes (other than the Retention Notes and the Notes sold directly by the Issuer to a Collateral Manager Related Party) are being offered by the Issuer through Goldman Sachs International in its capacity as placement agent of the Notes (the "**Placement Agent**") subject to prior sale, when, as and if delivered to and accepted by the Placement Agent, and to certain conditions. The Retention Notes to be held by the Collateral Manager and the Notes to be held by a Collateral Manager Related Party shall, in each case, be purchased by the relevant entity directly from the Issuer. It is expected that delivery of the Notes will be made on or about the Issue Date.

The Placement Agent may offer the Notes (other than the Retention Notes and the Notes sold directly by the Issuer to a Collateral Manager Related Party) at prices as may be negotiated at the time of sale which may vary among different purchasers.

Arranger and Placement Agent
Goldman Sachs International

The date of this Offering Circular is 3 September 2015

The Issuer accepts responsibility for the information contained in this document and, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), 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" and, "Description of the Collateral Manager". To the best of the knowledge and belief of the Collateral Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Administrator accepts responsibility for the information contained in the section of this document headed "Description of the Collateral Administrator". 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" and "Description of the Collateral Manager", 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 accept any responsibility for the accuracy and completeness of any information contained in this Offering Circular. The delivery of this Offering Circular at any time does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.

*None of the Placement Agent, Goldman Sachs International, in its capacity as arranger (the "**Arranger**"), the Trustee and the Collateral Manager (save in respect of the sections headed "Risk Factors – Relating to certain conflicts of interest – Collateral Manager" and "Description of the Collateral Manager"), 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 Placement Agent, the Arranger, 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 Notes or their distribution or accepts any responsibility or liability therefor. None of the Placement Agent, the Arranger, 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 Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular. None of the Placement Agent, the Arranger, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent, any Hedge Counterparty (in each case other than as specified above) or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Offering Circular.*

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Placement Agent, the Arranger, the Collateral Manager, the Trustee, the Collateral Administrator or any other person to subscribe for or purchase any of the Notes. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Placement Agent and the Arranger to inform themselves about and to observe any such restrictions. In particular, the communication constituted by this Offering Circular is directed only at persons who (i) are outside the United Kingdom and are offered and accept this Offering Circular in compliance with such restrictions or (ii) are persons falling within Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth in such Order so that Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer (all such persons together being referred to as "relevant persons"). This communication must not be distributed to, acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. For a description of certain further restrictions on offers and sales of Notes and distribution of this Offering Circular, see "Plan of Distribution" and "Transfer Restrictions" below.

In connection with the issue and sale of the Notes, no person is authorised to give any information or to make any representation not contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Placement Agent, the Arranger, 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 any references to "US Dollar", "US dollar", "USD ", "U.S. Dollar" or "$" shall mean the lawful currency of the United States of America.*

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

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

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

NOTICE TO NEW HAMPSHIRE RESIDENTS

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

RETENTION REQUIREMENTS

The Retention Holder will represent and undertake to the Issuer, the Trustee, the Collateral Administrator and the Placement Agent in a letter agreement to hold the Retention Notes on the terms set out in the Retention Undertaking Letter.

Each prospective investor in the Notes is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with the Retention Requirements (as defined in the Conditions) or any other regulatory requirement. None of the Issuer, the Arranger, the Portfolio Manager, the Placement Agent, the Retention Holder, 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 Notes which is subject to the Retention Requirements or any other regulatory requirement should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and any other requirements of which it is uncertain. See "*Risk Factors - Regulatory Initiatives*", "*Risk Factors – Risk Retention*" below.

Information as to placement within the United States

The Rule 144A Notes of each Class (the "**Rule 144A Notes**") will be sold only to "qualified institutional buyers" (as defined in Rule 144A) under the Securities Act ("**Rule 144A**")) ("**QIBs**") that are also "qualified purchasers" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). Rule 144A Notes of each Class (and in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, in each case the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or in some cases definitive certificates (each a "**Rule 144A Definitive Certificate**" and together the "**Rule 144A Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), or in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Regulation S Notes of each Class (and in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, in each case the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) (the "**Regulation S Notes**") sold outside the United States to non-U.S. Persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Regulation S Global Certificate**" and together, the "Regulation S Global Certificates"), or in some cases by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**") in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants.

Notes in definitive certificated form will be issued only in limited circumstances. In each case, purchasers and transferees of notes will be deemed and in certain circumstances will be required to have made certain representations and agreements. See "*Form of the Notes*", "*Book Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*" below.

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

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

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

This Offering Circular has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein (the "**Offering**"). Each of the Issuer, the Placement Agent and the Arranger reserves the right to reject any offer to purchase Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of any Class of Notes offered hereby. This Offering Circular is personal to each offeree to whom it has been delivered by the Issuer, the Placement Agent, the Arranger or any Affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this Offering Circular to any persons other than 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 TO THE CONTRARY HEREIN, EACH RECIPIENT (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH RECIPIENT) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT OF THE ISSUER, THE NOTES, OR THE TRANSACTIONS REFERENCED HEREIN AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER U.S. TAX ANALYSES) RELATING TO SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT AND THAT MAY BE RELEVANT TO UNDERSTANDING SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT.

NOTICE TO SOUTH KOREAN INVESTORS

The Notes may be characterised as "debt securities" as defined under Article 4(3) of the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**") or as any security listed under Article 4(2) of the FCSMA. No communication (whether written or oral) with the Issuer or its affiliates, representatives, agents or counsel (including the usage of terms or expressions of "note", "security", "bond" or "instrument") shall be deemed to be an assurance or guarantee that the Notes will be characterised as debt securities under South Korean laws and regulations and the generally accepted accounting principles in Korea ("**KGAAP**"). Each resident of South Korea who purchases any Notes shall be considered to be capable of assessing or analysing the legal nature or characterisation of the Notes under South Korean laws and regulations and KGAAP (based upon its own judgement and upon advice from such advisers as it has deemed necessary) and understanding the consequences and risks from the re-characterisation of the Notes.

Available Information

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

General Notice

EACH PURCHASER OF THE SECURITIES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH SECURITIES OR POSSESSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH SECURITIES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE PLACEMENT AGENT, THE ARRANGER, THE

COLLATERAL MANAGER, THE TRUSTEE OR THE COLLATERAL ADMINISTRATOR SPECIFIED HEREIN (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

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

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OVERVIEW

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

Issuer	Babson Euro CLO 2015-1 B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands.
Collateral Manager	Babson Capital Management (UK) Limited.
Trustee	U.S. Bank Trustees Limited.
Placement Agent	Goldman Sachs International.
Arranger	Goldman Sachs International.
Collateral Administrator	Elavon Financial Services Limited.

Notes[1]

Class of Notes	Principal Amount		Initial Stated Interest Rate[2]	Alternative Stated Interest Rate[3]	Moody's Ratings of at least[4]	Fitch Ratings of at least[4]	Maturity Date	Issue Price
A-1	€206,700,000		3 month EURIBOR[5] + 1.35%	6 month EURIBOR[5] + 1.35%	Aaa(sf)	AAA(sf)	25 October 2029	100.00%
A-2	€5,300,000		1.70%	1.70%	Aaa(sf)	AAA(sf)	25 October 2029	100.00%
A-3	€26,400,000	During the Class A-3 Fixed Rate Period	1.67%	1.67%	Aaa(sf)	AAA(sf)	25 October 2029	100.00%
		Following the Class A-3 Fixed Rate Period	3 month EURIBOR[5] + 1.35%	6 month EURIBOR[5] + 1.35%				
B-1	€32,600,000		3 month EURIBOR[5] + 2.05%	6 month EURIBOR[5] + 2.05%	Aa2(sf)	AA(sf)	25 October 2029	100.00%
B-2	€10,600,000		2.59%	2.59%	Aa2(sf)	AA(sf)	25 October 2029	100.00%
C	€22,000,000		3 month EURIBOR[5] + 2.80%	6 month EURIBOR[5] + 2.80%	A2(sf)	A(sf)	25 October 2029	99.35%
D	€21,600,000		3 month EURIBOR[5] + 3.55%	6 month EURIBOR[5] + 3.55%	Baa2(sf)	BBB(sf)	25 October 2029	98.00%
E	€31,200,000		3 month EURIBOR[5] + 4.75%	6 month EURIBOR[5] + 4.75%	Ba2(sf)	BB(sf)	25 October 2029	91.85%
F	€12,400,000		3 month EURIBOR[5] + 6.00%	6 month EURIBOR[5] + 6.00%	B2(sf)	B-(sf)	25 October 2029	87.85%
Subordinated Notes	€47,400,000		Residual	Residual	Not Rated	Not Rated	25 October 2029	95.00%

1 The Placement Agent may offer the Notes at prices as may be negotiated at the time of sale, which may vary among different purchasers.

2 Applicable at all times prior to the occurrence of a Frequency Switch Event, provided that the rate of interest of the Notes of each Class (other than the Class A-2 Notes, the Class B-2 Notes and during the Class A-3 Fixed Rate Period, the Class A-3 Notes) for the first interest period will be determined by reference to a straight line interpolation of the rates applicable to 6 and 9 month EURIBOR.

3 Applicable at all times following the occurrence of a Frequency Switch Event, provided that the rate of interest of the Notes of each Class for the period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date will, if such final Payment Date falls in July 2029, be determined by reference to three month EURIBOR.

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

5. Subject to a minimum of zero per cent. per annum.

Eligible Purchasers	The Notes of each Class will be offered: (a) to non-U.S. Persons in "offshore transactions" in reliance on Regulation S; and (b) to U.S. Persons, in each case, who are QIB/QPs in reliance on Rule 144A.
Distributions on the Notes	
Payment Dates	25 January, 25 April, 25 July and 25 October prior to the occurrence of a Frequency Switch Event and on 25 January and 25 July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July) or on 25 April and 25 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) following the occurrence of a Frequency Switch Event, in each year commencing on 25 April 2016 and ending on the Maturity Date (subject to any earlier redemption of the Notes and in each case to adjustment for non-Business Days in accordance with the Conditions).
Stated Note Interest	Interest in respect of the Notes of each Class will be payable quarterly in arrear prior to the occurrence of a Frequency Switch Event and semi-annually in arrear following the occurrence of a Frequency Switch Event, in each case on each Payment Date (with the first Payment Date occurring in April 2016) in accordance with the Interest 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 any Class of Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payments shall not be an Event of Default unless and until: (a) such failure is in respect of any non-payment of interest due and payable on the Class A Notes and/or the Class B Notes; or (b) such failure is in respect of any non-payment of interest due and payable following the occurrence of a Frequency Switch Event on (i) the Class C Notes, if such Class of Notes is the Controlling Class; (ii) the Class D Notes, if such Class of Notes is the Controlling Class; (iii) the Class E Notes, if such Class of Notes is the Controlling Class and (iv) the Class F Notes, if such Class of Notes is the Controlling Class, and in each case such failure continues for a period of at least five Business Days (or, in the case of administrative error or omission only, at least seven Business Days). To the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes are not made on the relevant Payment Date in such circumstances, an amount equal to such unpaid interest will be added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, and thereafter will accrue interest on such unpaid

	amount at the rate of interest applicable to such Notes. See Condition 6(c) (*Deferral of Interest*). Failure on any Payment Date to disburse amounts (other than interest on the Class A Notes and Class B Notes and principal (in accordance with Condition 10(a)(i) and (ii)) available in the Payment Account in excess of €1,000 and payable in accordance with the Priorities of Payments will be an Event of Default if such failure continues for a period of at least (5) Business Days (or, in the case of administrative error or omission or another non-credit related reason, at least ten Business Days) following notice thereof. Non-payment of amounts due and payable on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds will not constitute an Event of Default. For the avoidance of doubt, non-payment of Interest Amounts due and payable on any Class of Notes as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*) shall not constitute an Event of Default.
Redemption of the Notes	Principal payments on the Notes may be made in the following circumstances: (a) on the Maturity Date; (b) on any Payment Date following a Determination Date on which a Coverage Test is not satisfied (to the extent such test is required to be satisfied on such Determination Date); (c) if, as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each subsequent Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payments, in each case until the Rated Notes are redeemed in full or, if earlier, until such Effective Date Rating Event is no longer continuing (see Condition 7(e) (*Redemption Upon Effective Date Rating Event*)); (d) after the Reinvestment Period, on each Payment Date out of Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date (see Condition 7(f) (*Redemption Following Expiry of the Reinvestment Period*)); (e) on any Payment Date during the Reinvestment Period at the discretion of the Collateral Manager (acting on behalf of the Issuer), following written certification by the Collateral Manager to the Trustee (on which the Trustee may rely without further enquiry) that, using commercially reasonable endeavours, it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion in sufficient amounts to permit the investment of all or a portion of the funds then available for reinvestment, the Collateral Manager may elect, in its sole discretion, to

	designate all or a portion of those funds as a Special Redemption Amount (see Condition 7(d) (*Special Redemption*));
	(f) in whole (with respect to all Classes of Rated Notes) but not in part on any Payment Date following the expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) at the option of the holders of the Subordinated Notes (acting by way of Ordinary Resolution) (see Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*));
	(g) in part by the redemption in whole of one or more Classes of Rated Notes from Refinancing Proceeds on any Payment Date following the expiry of the Non-Call Period if the Subordinated Noteholders (acting by way of Ordinary Resolution) or the Collateral Manager direct the Issuer to redeem such Class of Rated Notes, as long as the Class or Classes of Rated Notes to be redeemed each represents not less than the entire Class of such Rated Notes (see Condition 7(b)(ii) (*Optional Redemption in Part – Subordinated Noteholders or Collateral Manager*));
	(h) the Subordinated Notes may be redeemed in whole on any Business Day at the direction of the holders of the Subordinated Notes (acting by way of Ordinary Resolution), in each case following the redemption in full of all Classes of Rated Notes (see Condition 7(b)(viii) (*Optional Redemption of Subordinated Notes*));
	(i) on any Payment Date following the occurrence of a Collateral Tax Event in whole (with respect to all Classes of Rated Notes) at the option of the Subordinated Noteholders acting by way of Extraordinary Resolution (See Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*));
	(j) in whole (with respect to all Classes of Notes) but not in part from Sale Proceeds on any Business Day following the expiry of the Non-Call Period if the Collateral Principal Amount is less than 15 per cent. of the Target Par Amount and if directed in writing by the Collateral Manager (see Condition 7(b)(iii) (*Optional Redemption in Whole – Clean-up Call*);
	(k) in whole (with respect to all Classes of Rated Notes) on any Payment Date at the option of the Controlling Class or the holders of the Subordinated Notes, in each case acting by way of Extraordinary Resolution, following the occurrence of a Note Tax Event, subject to (i) the Issuer having failed to change the territory in which it is resident for tax purposes and (ii) certain minimum time periods. See Condition 7(g) (*Redemption following Note Tax Event*); and
	(l) at any time following an acceleration of the Notes after the occurrence of an Event of Default which is continuing and has not been cured or waived (See Condition 10 (*Events of Default*)).
Non-Call Period.....	During the period from the Issue Date up to, but excluding, 25 October 2017 or, if such day is not a Business Day, then the next succeeding Business Day, unless it would fall in the following month, in which case it shall be the immediately preceding

	Business Day (the "**Non-Call Period**"), the Notes are not subject to Optional Redemption (save for upon a Collateral Tax Event, a Note Tax Event or a Special Redemption). See Condition 7(b) (*Optional Redemption*), Condition 7(d) (*Special Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*).
Redemption Prices.....	The Redemption Price for each Subordinated Note will be its *pro rata* share (calculated in accordance with the applicable Priorities of Payment) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payments. The Redemption Price of each Class of Rated Notes will be 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, Class D Notes, the Class E Notes and the Class F Notes, any accrued and unpaid Deferred Interest.
Priorities of Payments.....	Prior to the delivery of an Acceleration Notice (deemed or otherwise) in accordance with Condition 10(b) (*Acceleration*) or following the delivery of an Acceleration Notice (deemed or otherwise) which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Event of Default*), and other than in connection with an Optional Redemption in whole pursuant to Condition 7(b) (*Optional Redemption*) or in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption following Note Tax Event*), Interest Proceeds will be applied in accordance with the Interest Priority of Payments and Principal Proceeds will be applied in accordance with the Principal Priority of Payments. Upon any redemption in whole of the Notes in accordance with Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption following Note Tax Event*) or following the delivery of an Acceleration Notice (deemed or otherwise) in accordance with Condition 10(b) (*Acceleration*) which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Event of Default*), Interest Proceeds and Principal Proceeds will be applied in accordance with the Post-Acceleration Priority of Payments, in each case as described in the Conditions.
Class A-3 Make-Whole Amount	In connection with any redemption or prepayment of the Class A-3 Notes in whole or in part in accordance with the Conditions at any time during the Class A-3 Fixed Rate Period (including, for the avoidance of doubt, any mandatory redemption in part in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests or Interest Diversion Test*) or any prepayment upon acceleration of the Class A-3 Notes in accordance with Condition 10(b) (*Acceleration*)), the Issuer will be required to pay to the Class A-3 Noteholders an amount equal to the then applicable Class A-3 Make-Whole Amount subject to and in accordance with the Conditions and the applicable Priorities of Payment.
Collateral Management Fees	
Senior Management Fee	0.15 per cent. per annum of the Collateral Principal Amount (exclusive of VAT). See "*Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter - Fees of the Collateral Manager*".

Subordinated Management Fee	0.35 per cent. per annum of the Collateral Principal Amount (exclusive of VAT). See "*Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter - Fees of the Collateral Manager*".
Incentive Collateral Management Fee	The Collateral Manager will be entitled to an Incentive Collateral Management Fee on each Payment Date on which the Incentive Collateral Management Fee IRR Threshold of 12 per cent. has been met or surpassed, such Incentive Collateral Management Fee being equal to 20 per cent. of any Interest Proceeds and Principal Proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payments (exclusive of VAT) on such Payment Date. See "*Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter - Fees of the Collateral Manager*".
Security for the Notes	The Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over a portfolio of Collateral Obligations. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of the Issuer Dutch Account and the Issuer Management Agreement. See Condition 4 (*Security*).
Hedge Arrangements	Subject to satisfaction of the Hedging Condition, the Issuer may enter into Hedge Transactions to hedge interest rate or currency risk around or after the Issue Date. Subject to satisfaction of the Hedging Condition, the Collateral Manager, on behalf of the Issuer (subject to the following paragraph), will arrange, in relation to any Non-Euro Obligation, for the Issuer to enter into a Currency Hedge Transaction in relation to such Non-Euro Obligation. The Currency Hedge Transaction will pay Euro in return for the United States dollars, pounds sterling or any other lawful currency of a Non-Emerging Market Country payable under such Non-Euro Obligation. Subject to satisfaction of the Hedging Condition, the Collateral Manager, on behalf of the Issuer (subject to the following paragraph), is authorised to enter into Interest Rate Hedge Transactions that are interest rate protection transactions entered into under an Interest Rate Hedge Agreement (which may be an interest rate swap, an interest rate cap or an interest rate floor transaction) in order to mitigate certain interest rate mismatches from time to time. The Issuer is required to obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless it is a Form Approved Hedge. See "*Hedging Arrangements*".
Collateral Manager	Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to act as the Issuer's collateral manager with respect to the Portfolio, to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described therein. Pursuant to the Collateral Management and Administration Agreement, the Issuer delegates authority to the Collateral Manager to carry out certain functions in relation to the Portfolio and any Hedge Transactions. See "*Description of the Collateral*

	Management and Administration Agreement and the Retention Undertaking Letter" and "*The Portfolio*". The Collateral Manager has selected the Collateral Obligations purchased by the Issuer on or prior to the Issue Date pursuant to the Warehouse Arrangements and has independently reviewed and assessed each such Collateral Obligation.
Purchase of Collateral Obligations	
Initial Portfolio	The Collateral Manager (on behalf of the Issuer) has purchased a portfolio of Collateral Obligations prior to the Issue Date pursuant to the Warehouse Arrangements.
Initial Investment Period	During the Initial Investment Period the Collateral Manager, on behalf of the Issuer, intends to use reasonable endeavours to purchase or commit to purchase Collateral Obligations, subject to the Eligibility Criteria and certain other restrictions, such that the Aggregate Principal Balance of such Collateral Obligations purchased or committed to be purchased by the Issuer, is at least equal to the Target Par Amount. Notice of the occurrence of the Effective Date will be given to Noteholders in accordance with Condition 16 (*Notices*).
Sale of Collateral Obligations.....	Subject to the limits described in the Collateral Management and Administration Agreement, the Collateral Manager, on behalf of the Issuer, may dispose of any Collateral Obligation during and after the Reinvestment Periods. See "*The Portfolio - Discretionary Sales*".
Reinvestment in Collateral Obligations.....	Subject to the limits described in the Collateral Management and Administration Agreement and Principal Proceeds being available for such purpose, the Collateral Manager shall, on behalf of the Issuer, use reasonable endeavours to purchase Substitute Collateral Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the Reinvestment Period. Following expiry of the Reinvestment Period, only Sale Proceeds from the sale of Credit Improved Obligations and Credit Risk Obligations and Unscheduled Principal Proceeds received after the Reinvestment Period may, but are not required to, be reinvested by the Issuer or the Collateral Manager acting on behalf of the Issuer, in Substitute Collateral Obligations meeting the Eligibility Criteria and Reinvestment Criteria and subject to certain other restrictions described herein. See "*The Portfolio - Sale of Collateral Obligations*" and "*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 only satisfy the Eligibility Criteria on the Issue Date. See "*The Portfolio - Eligibility Criteria*".

Restructured Obligations	In order for a Collateral Obligation which is the subject of a restructuring to qualify as a Restructured Obligation, such Collateral Obligation must satisfy the Restructured Obligation Criteria as at the applicable Restructuring Date. See "*The Portfolio - Restructured Obligations*".
Collateral Quality Tests	The Collateral Quality Tests will comprise the following: For so long as any of the Rated Notes are rated by Moody's and are Outstanding: (a) the Moody's Minimum Diversity Test; (b) the Moody's Minimum Weighted Average Recovery Rate Test; (c) the Moody's Maximum Weighted Average Rating Factor Test; (d) the Moody's Minimum Weighted Average Floating Spread Test; and (e) the Moody's Minimum Weighted Average Coupon Test. For so long as any of the Rated Notes are rated by Fitch and are Outstanding: (a) the Fitch Maximum Weighted Average Rating Factor Test; (b) the Fitch Minimum Weighted Average Recovery Rate Test; (c) the Fitch Minimum Weighted Average Spread Test; and (d) the Fitch Minimum Weighted Average Fixed Coupon Test. For so long as any Rated Notes are Outstanding, the Weighted Average Life Test.
Portfolio Profile Tests.....	In summary, the Portfolio Profile Tests will consist of each of the following (the percentage requirements applicable to different types of Collateral Obligations specified in the Portfolio Profile Tests and summarily displayed in the table below shall be determined by reference to the Collateral Principal Amount):

	Minimum	**Maximum**
(a) Secured Senior Obligations in aggregate	90.0%	N/A
(b) Secured Senior Notes in aggregate	N/A	50.0%
(c) Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and/or High Yield Bonds in aggregate	N/A	10.0%
(d) Collateral Obligations of a single Obligor	N/A	(i) in the case of Secured Senior Obligations, not more than 2.5% shall be the obligation of any single Obligor, provided that not more than three Obligors may each represent up to 3.0% each and (ii) in the case of Collateral Obligations which are not Secured Senior Obligations, not more than 1.5% shall be the obligation of any single Obligor
(e) Collateral Obligations to any 10 Obligors	N/A	20.0%
(f) Non-Euro Obligations	N/A	20.0%
(g) Participations	N/A	5.0%
(h) Current Pay Obligations	N/A	5.0%
(i) Annual Obligations	N/A	5.0%
(j) Funded Amounts/Unfunded Amounts under Revolving Obligations or Unfunded Amounts under Delayed	N/A	10.0%

		Minimum	Maximum
	Drawdown Collateral Obligations		
(k)	Fitch CCC Obligations	N/A	7.5%
(l)	Moody's Caa Obligations	N/A	7.5%
(m)	Bridge Loans	N/A	5.0%
(n)	Corporate Rescue Loans	N/A	5.0% provided that not more than 2% shall consist of Corporate Rescue Loans from a single Obligor
(o)	PIK Securities	N/A	5.0%
(p)	Fixed Rate Collateral Obligations	0.00%	15.0%
(q)	Moody's Industry Classification	N/A	10% of the Collateral Principal Amount may consist of Collateral Obligations that are issued by Obligors that belong to any single Moody's industry classification, except that (x) 4 Moody's industry classifications may each represent up to 12.0% of the Collateral Principal Amount, and (y) one Moody's industry classification may represent up to 15.0% of the Collateral Principal Amount
(r)	Fitch Industry Classification	N/A	20.0% 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 (x) 3 Fitch industry classifications may comprise in aggregate up to 50.0% of the Collateral Principal Amount
(s)	Domicile of Obligors 1	N/A	10.0% Domiciled in countries or jurisdictions with a Fitch country ceiling below "AAA" by Fitch unless Rating Agency Confirmation from Fitch is obtained
(t)	Domicile of Obligors 2	N/A	10.0% Domiciled in countries with a Moody's local currency risk ceiling below "Aa3" by Moody's, provided that the Aggregate Principal Balance of Collateral Obligations of Obligors Domiciled in a Non-Emerging Market Country rated below "A3" by Moody's shall not be greater than 5.0% of the Collateral Principal Amount and **provided further that** the Aggregate Principal Balance of Collateral Obligations of Obligors Domiciled in a Non-Emerging Market Country rated below "Baa3" by Moody's shall not be greater than 0.0% of the Collateral Principal Amount
(u)	Cov-Lite Loans	N/A	20.0%
(v)	Obligations with a Moody's Rating which is derived from an S&P rating	N/A	10.0%
(w)	Loans originated by the Collateral Manager	N/A	20%, 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 loans were originated by the Collateral Manager, shall in either case not be counted as originated by the Collateral Manager
(x)	Obligations in respect of which the initial total potential indebtedness at issuance (including (i) to the extent that a Collateral Obligation is a part of a security or credit facility, indebtedness of the entire security or credit facility of which such Collateral Obligation is part and (ii) the maximum available amount or total commitment under any revolving or delayed funding loans) of the relevant Obligor and/or its Affiliates under all respective loan agreements and other Underlying Instruments governing such Obligor's and/or its Affiliates' indebtedness has an aggregate principal amount (whether drawn or undrawn) of less than €50,000,000 (or its equivalent in any currency)	N/A	0.0%

	Minimum	Maximum
(y) Obligations in respect of which the initial total potential indebtedness at issuance (including (i) to the extent that a Collateral Obligation is a part of a security or credit facility, indebtedness of the entire security or credit facility of which such Collateral Obligation is part and (ii) the maximum available amount or total commitment under any revolving or delayed funding loans) of the relevant Obligor and/or its Affiliates under all respective loan agreements and other Underlying Instruments governing such Obligor's and/or its Affiliates' indebtedness has an aggregate principal amount (whether drawn or undrawn) of equal to or more than €50,000,000 and less than €100,000,000 (or its equivalent in any currency)	N/A	7.5%
(z) Obligations in respect of which the initial total potential indebtedness at issuance (including (i) to the extent that a Collateral Obligation is a part of a security or credit facility, indebtedness of the entire security or credit facility of which such Collateral Obligation is part and (ii) the maximum available amount or total commitment under any revolving or delayed funding loans) of the relevant Obligor and/or its Affiliates under all respective loan agreements and other Underlying Instruments governing such Obligor's and/or its Affiliates' indebtedness has an aggregate principal amount (whether drawn or undrawn) of less than €150,000,000 (or its equivalent in any currency);	N/A	10%
(aa) Bivariate Risk Table	N/A	See limits set out in "*The Portfolio – Bivariate Risk Table*"

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

Class	Required Par Value Ratio
A/B	132.0%
C	124.3%
D	117.0%
E	107.7%

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

	Obligations in respect of which the Issuer or the Collateral Manager, on behalf of the Issuer, has entered into a binding commitment to purchase, but which have not yet settled, shall be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests, the Interest Diversion Test and all other tests and criteria applicable to the Portfolio at any time as if such purchase had been completed. Obligations in respect of which the Issuer or the Collateral Manager, on behalf of the Issuer, has entered into a binding commitment to sell, but which have not yet settled, shall not be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests, the Interest Diversion Test and all other tests and criteria applicable to the Portfolio at any time as if such sale had been completed.
Interest Diversion Test.....	If the Class F Par Value Ratio is less than 105.0 per cent., as of any Determination Date on and after the Effective Date and during the Reinvestment Period, on the related Payment Date, Interest Proceeds shall be paid to (x) the Principal Account to be applied for the purpose of the acquisition of additional Collateral Obligations and (y) following the Reinvestment Period, redemption of the Rated Notes in accordance with the Note Payment Sequence, in each case in an amount equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (V) of the Interest Priority of Payments and (2) the amount which, after giving effect to such payment, would be sufficient to cause the Interest Diversion Test to be satisfied as of such Payment Date after giving effect to such payment.
Authorised Denominations.....	The Regulation S Notes of each Class will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Rule 144A Notes of each Class will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof.
Form, Registration and Transfer of the Notes.....	The Regulation S Notes of each Class (and in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, in each case the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) sold outside the United States to non-U.S. Persons in reliance on Regulation S 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 SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Beneficial interests in a Regulation S Global Certificate may at any time be held only through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*". Interests in any Regulation S Note may not at any time be held by any U.S. Person or U.S. Resident. The Rule 144A Notes of each Class (and in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, in each case the CM Voting Notes, the CM Non-Voting

Exchangeable Notes and the CM Non-Voting Notes of such Class) sold in reliance on Rule 144A to U.S. Persons, in each case, who are QIB/QPs will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts deposited with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg.

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

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

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

Each initial investor in a Class E Note, Class F Note or a Subordinated Note purchased on the Issue Date will be required to certify as to, among other matters, its status under the Securities Act, the Investment Company Act and ERISA. A transferee of a Class E Note, Class F Note or a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not, and is not acting on behalf of (and for so long as it holds such Note or interest therein will not be, and will not be acting on behalf of) a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed or actual representation, as applicable, such transferee may not acquire such Class E Note, Class F Note or Subordinated Note in the form of a Rule 144A Global Certificate or Regulation S Global Certificate unless such transferee: (i) obtains the written consent of the Issuer; (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); and (iii) unless the written consent of the Issuer to the contrary is obtained, holds such Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate.

Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in

	the Trust Deed. See "*Form of the Notes*", "*Book Entry Clearance Procedures*" and "*Transfer Restrictions*". Each purchaser of Notes in making its purchase will make certain acknowledgements, representations and agreements (actual or deemed). See "*Transfer Restrictions*". The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*), Condition 2(i) (*Forced Transfer pursuant to ERISA*) and Condition 2(j) (*Forced Transfer pursuant to FATCA*).
CM Voting Notes, CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes.....	The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes shall each be issued as CM Voting Notes, CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Voting Notes carry a right to vote and be counted for the purposes of determining a quorum and the result of voting on all matters in respect of which Noteholders have a right to vote, including where such CM Voting Notes are the Controlling Class, any CM Removal Resolutions or CM Replacement Resolutions. CM Non-Voting Exchangeable Notes and CM Non-Voting Notes will not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on, any CM Removal Resolutions or any CM Replacement Resolutions but will carry a right to vote on and be counted in respect of all other matters in respect of which the Noteholders have a right to vote and be counted. Class A-1 CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-1 CM Non-Voting Exchangeable Notes; or (b) Class A-1 CM Non-Voting Notes. Class A-1 CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-1 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor or (b) Class A-1 CM Non-Voting Notes. Class A-1 CM Non-Voting Notes shall not be exchangeable at any time into Class A-1 CM Voting Notes or Class A-1 CM Non-Voting Exchangeable Notes. Class A-2 CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-2 CM Non-Voting Exchangeable Notes; or (b) Class A-2 CM Non-Voting Notes. Class A-2 CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-2 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor or (b) Class A-2 CM Non-Voting Notes. Class A-2 CM Non-Voting Notes shall not be exchangeable at any time into Class A-2 CM Voting Notes or Class A-2 CM Non-Voting Exchangeable Notes. Class A-3 CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-3 CM Non-Voting Exchangeable Notes; or (b) Class A-3 CM Non-Voting Notes. Class A-3 CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-3 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor or (b) Class A-3 CM Non-Voting Notes. Class A-3 CM

Non-Voting Notes shall not be exchangeable at any time into Class A-3 CM Voting Notes or Class A-3 CM Non-Voting Exchangeable Notes.

Class B-1 CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class B-1 CM Non-Voting Exchangeable Notes; or (b) Class B-1 CM Non-Voting Notes. Class B-1 CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class B-1 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor or (b) Class B-1 CM Non-Voting Notes. Class B-1 CM Non-Voting Notes shall not be exchangeable at any time into Class B-1 CM Voting Notes or Class B-1 CM Non-Voting Exchangeable Notes.

Class B-2 CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class B-2 CM Non-Voting Exchangeable Notes; or (b) Class B-2 CM Non-Voting Notes. Class B-2 CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class B-2 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor or (b) Class B-2 CM Non-Voting Notes. Class B-2 CM Non-Voting Notes shall not be exchangeable at any time into Class B-2 CM Voting Notes or Class B-2 CM Non-Voting Exchangeable Notes.

Class C CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class C CM Non-Voting Exchangeable Notes; or (b) Class C CM Non-Voting Notes. Class C CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class C CM Voting Notes, ***provided*** that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor or (b) Class C CM Non-Voting Notes. Class C CM Non-Voting Notes shall not be exchangeable at any time into Class C CM Voting Notes or Class C CM Non-Voting Exchangeable Notes.

Class D CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class D CM Non-Voting Exchangeable Notes; or (b) Class D CM Non-Voting Notes. Class D CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class D CM Voting Notes, ***provided*** that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor or (b) Class D CM Non-Voting Notes. Class D CM Non-Voting Notes shall not be exchangeable at any time into Class D CM Voting Notes or Class D CM Non-Voting Exchangeable Notes.

A beneficial interest in a Global Certificate representing CM Voting Notes or CM Non-Voting Exchangeable Notes may be exchanged for a beneficial interest in a different form of Class A Note, Class B Note, Class C Notes or Class D Note (as applicable) as set out above, subject to the restrictions set out in Condition 2(m) (E*xchange of CM Voting Notes / CM Non-Voting Exchangeable Notes / CM Non-Voting Notes*). Neither the Registrar nor the Transfer Agent, in processing such exchange shall have any liability to any Noteholder as to the compliance by such Noteholder

	with any legal or regulatory requirements applicable to such Noteholder.
Governing Law	The Notes, the Trust Deed, the Collateral Management and Administration Agreement, the Agency and Account Bank Agreement and all other Transaction Documents and the Issuer Management Agreement, which is governed by the laws of The Netherlands) will be governed by English law.
Listing	Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its Global Exchange Market. There can be no assurance that any such approval will be maintained.
Tax Status	See "*Tax Considerations*".
Certain ERISA Considerations	See "*Certain ERISA Considerations*".
Withholding Tax	The Issuer will not gross up any payments to the Noteholders in respect of amounts deducted from or withheld for on account of any tax in relation to the Notes. See Condition 9 (*Taxation*).
Additional Issuances	Subject to certain conditions being satisfied, additional Notes of all existing Classes (including the Subordinated Notes) may be issued and sold. See Condition 17 (*Additional Issuances*).
Retention Requirements	The Retention Notes will be acquired by the Collateral Manager on the Issue Date from the Issuer pursuant to a Retention Notes Purchase Agreement and, pursuant to the Retention Undertaking Letter, the Collateral Manager will undertake to retain the Retention Notes with the intention of complying with the retention requirements of the Retention Requirements. See "*Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter*" and 2.30 "*Risk Retention*".

RISK FACTORS

An investment in the Notes involves certain risks, including risks related to the Collateral Obligations securing the Notes and risks relating to the structure of the Notes and related arrangements. There can be no assurance that the Issuer will not incur losses on the Collateral Obligations or that investors in the Notes will receive a return of any or all of their investment. Prospective investors should carefully consider, among other things, the following risk factors in addition to the other information set out in this Offering Circular before investing in the Notes. Terms not defined in this section and not otherwise defined above have the meaning set out in Condition 1 (*Definitions*) of the "*Terms and Conditions*".

1. General Commercial 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 Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. Prospective investors are therefore advised to review this entire Offering Circular carefully and should consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes. Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Notes, although the degree of risk associated with each Class of Notes will vary in accordance with the position of such Class of Notes in the Priorities of Payments. See Condition 3(c) (*Priorities of Payment*). In particular, (i) payments in respect of the Class A Notes are generally higher in the Priorities of Payments than those of the other classes of Notes; (ii) payments in respect of the Class B Notes are generally higher in the Priorities of Payments than those of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; (iii) payments in respect of the Class C Notes are generally higher in the Priorities of Payments than those of the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; (iv) payments in respect of the Class D Notes are generally higher in the Priorities of Payments than those of the Class E Notes, the Class F Notes and the Subordinated Notes; (v) payments in respect of the Class E Notes are generally higher in the Priorities of Payments than those of the Class F Notes and the Subordinated Notes; and (vi) payments in respect of the Class F Notes are generally higher in the Priorities of Payments than those of the Subordinated Notes. None of the Placement Agent, the Arranger, 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 Notes of any information coming to the attention of the Placement Agent, the Arranger, the Agents or the Trustee which is not included in this Offering Circular or the Reports, as the case may be.

1.2 Suitability

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

1.3 Limited Resources of Funds to Pay Expenses of the Issuer

The funds available to the Issuer to pay its expenses on any Payment Date are limited as provided in the Priorities of Payments. 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 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 and/or prefunded and/or secured.

1.4 Business and regulatory risks for vehicles with investment strategies such as the Issuer's

Legal, tax and regulatory changes could occur over the course of the life of the Notes that may adversely affect the Issuer. The regulatory environment for vehicles of the nature of the Issuer is evolving, and changes in the regulation of the same may adversely affect the value of investments held by the Issuer and the ability of the Issuer to obtain the leverage it might otherwise obtain or to pursue its investment and trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Certain regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions 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**

European financial markets have experienced volatility and have been adversely affected by concerns over economic contraction in certain Member States, rising government debt levels, credit rating downgrades and risk of default or restructuring of government debt. These events could cause bond yields and credit spreads to increase.

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

As discussed further in paragraph 1.6 (*General commercial risks - 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 its leaving the Euro is impossible to predict. The exit of one or more countries from the Euro zone could have a destabilising effect on all European economies and possibly the global economy as well.

There exist significant risks for the Issuer and investors as a result of adverse economic conditions. These risks include, among others: (i) the likelihood that the Issuer will find it more difficult to sell any of its assets or to purchase new assets in the secondary market, (ii) the possibility that, on or after the Issue Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price and (iii) the illiquidity of the Notes. These additional risks may affect the returns on the Notes to investors and/or the ability of investors to realise their investment in the Notes prior to their Maturity Date. In addition, the primary market for a number of financial products including leveraged loans has slowed down. As well as reducing opportunities for the Issuer to purchase assets in the primary market, this is likely to increase the refinancing risk in respect of maturing assets. Although there have recently been signs that the primary market for certain financial products is recovering, particularly in the United States of America, adverse conditions in the primary market may reduce the ability of the Collateral Manager to invest and, ultimately, reduce the returns on the Notes to investors.

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

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

The result of the above is a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitised instruments. Such additional rules and regulations could, among other things,

adversely affect Noteholders as well as the flexibility of the Collateral Manager in managing and administering the Collateral.

There can be no assurance that the CLO, leveraged finance or structured finance markets will recover from economic downturn at the same time or to the same degree as such other recovering sectors.

1.6 **Euro and Euro Zone Risk**

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Euro zone.

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Euro zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro zone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "**ESM**"), to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries from June 2013 onward.

Despite these measures, concerns persist regarding the growing risk that other Euro zone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, 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 and the Notes. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. It should be noted that following a recent election in Greece, the newly elected government is seeking to renegotiate its debt obligations and rescue plan. Following a referendum in Greece, Greece has rejected the current terms of its bailout loan and has defaulted on a payment to the International Monetary Fund. Greece has reached a provisional agreement with Euro zone leaders for a bailout. If such bailout is not implemented, this could result in Greece defaulting on the remainder of its debt and/or exiting the Euro. This could have a material adverse effect on the Euro zone and other economies. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes. It is difficult to predict the final outcome of the Euro zone crisis including the effects of a Greek exit from the Euro. Investors should carefully consider how changes to the Euro zone may affect their investment in the Notes.

2. **Relating to the Notes**

2.1 **The Notes will have limited liquidity and are subject to substantial transfer restrictions**

Currently, no market exists for the Notes. The Placement Agent may make a market for the Notes but is not under any obligation to do so, and any such market-making may be discontinued at any time without notice. The Notes are illiquid investments. There can be no assurance that any secondary market for any of the Notes will develop, or if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or will continue for the life of the Notes. Over the past few years, notes issued in securitisation transactions have experienced historically high volatility and significant fluctuations in market value. Additionally, some potential buyers of such notes now view securitisation products as an inappropriate investment, thereby reducing the number of potential buyers and/or potentially affecting liquidity in the secondary market. Noteholders must be prepared to hold their Notes for an indefinite period of time or until the Maturity Date. The Notes 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 Notes under the Securities Act. As a result, the Notes 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 Notes may further limit their liquidity.

In addition, CM Non-Voting Notes may not be exchanged at any time into CM Voting Notes or CM 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.

2.2 **The Notes are not guaranteed by the Issuer, the Placement Agent, the Arranger, the Collateral Manager, the Agents, any Hedge Counterparty or the Trustee**

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

2.3 **The Placement Agent and Arranger 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 Placement Agent and Arranger 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 Placement Agent or the Arranger acts as a Hedge Counterparty or owns Notes, it will have no responsibility to consider the interests of any other Noteholders in actions it takes in such capacity. While the Placement Agent or the Arranger may own a portion of certain Classes of Rated Notes on the Issue Date and may own Notes at any time, it has no obligation to make any investment in any Notes and may sell at any time any Notes it does purchase. See also paragraph 4.3 "*Relating to certain conflicts of interest – The Issuer will be subject to various conflicts of interest involving the Placement Agent and the Arranger*" below.

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

The Notes are limited recourse obligations of the Issuer. Therefore, amounts due on the Notes are payable solely from the Collateral Obligations and all other Collateral secured by the Issuer for the benefit of the Noteholders and other Secured Parties pursuant to the Priorities of Payments. None of the Trustee, the Collateral Administrator, the Agents, the Collateral Manager, the Placement Agent, the Arranger 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 Notes. Consequently, Noteholders must rely solely on distributions on the Collateral Obligations and, after an Event of Default, proceeds from the liquidation of the Collateral for payments on the Notes. If distributions on such Collateral Obligations are insufficient to make payments on the Notes, no other assets (including the Issuer Dutch Account or the Issuer's rights under the Issuer Management Agreement and in particular, no assets of the Collateral Manager, the Noteholders, the Placement Agent, the Arranger, 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 Notes will be extinguished and will not revive.

2.5 **The Subordinated Notes**

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

2.6 **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 Subordinated Notes will affect their right to payment; failure of a court to enforce non-petition obligations will adversely affect the Noteholders**

The Class A Notes are subordinated to certain amounts payable by the Issuer to other parties as set out in the Priorities of Payments (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 Subordinated Notes 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 to the extent described herein. No payments of interest or distributions from Interest Proceeds of any kind will be made on any Class of Notes on any Payment Date until interest due on the Notes 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 Notes on any Payment Date until principal of the Notes 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 Subordinated Notes on any Payment Date until interest due on and all principal of the Notes 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 Noteholders, such losses will be borne in the first instance by holders of the Subordinated Notes, then by the holders of the Class F Notes, then by the holders of the Class E Notes, then by the holders of the Class D Notes, then by the holders of the Class C Notes, then by the holders of the Class B Notes, and last by the holders of the Class 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 Notes pursuant to the Priorities of Payments 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.

In addition, if an Event of Default occurs, the Controlling Class (acting by way of Extraordinary Resolution) will be entitled to determine the remedies to be exercised under the Trust Deed, subject to the terms of the Trust Deed. Remedies pursued by the Controlling Class could be adverse to the interests of the Noteholders that are subordinated to the Notes held by the Controlling Class, and the Controlling Class will have no obligation to consider any possible adverse effect on such other interests. The Collateral Obligations may only be sold and liquidated in accordance with the Conditions and the Trust Deed.

After any acceleration of the Notes, all Interest Proceeds and Principal Proceeds will be allocated in accordance with the Post-Acceleration Priority of Payments pursuant to which the Notes and certain other amounts owing by the Issuer will be paid in full before any allocation to holders of the Subordinated Notes, and holders of each Class of 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 Notes. If an Event of Default has occurred and is continuing, the Subordinated Noteholders 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 Notes following any liquidation of the Collateral and the application of the proceeds from

the Collateral to pay senior Classes of Notes and the fees, expenses, and other liabilities payable by the Issuer.

Each Noteholder 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 of, 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 Notes, the Trust Deed or otherwise owed to the Noteholders. 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.

2.7 **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 Notes. Any failure to pay scheduled interest on the Class C Notes (so long as any of the Class A Notes and/or the Class B Notes are Outstanding), or to pay scheduled interest on the Class D Notes (so long as the Class C Notes are Outstanding), or to pay scheduled interest on the Class E Notes (so long as the Class D Notes are Outstanding), or to pay scheduled interest on the Class F Notes (so long as the Class E Notes are Outstanding) or to pay interest and principal on the Subordinated Notes at any time, due to there being insufficient funds available to pay such interest in accordance with the applicable Priorities of Payment, will not be an Event of Default. Payments of interest and principal on the Subordinated Notes will only be made to the extent that there are Interest Proceeds and Principal Proceeds available for such purpose in accordance with the applicable Priorities of Payment. No interest or principal may therefore be payable on the Subordinated Notes for an unlimited period of time, to maturity or at all.

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

2.8 **Yield considerations on the Subordinated Notes**

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

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

The Subordinated Notes represent a highly leveraged investment in the Portfolio. Therefore, the market value of the Subordinated Notes would be anticipated to be significantly affected by, among other things, changes in the market value of the 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 paragraph 3 (*Relating to the Collateral Obligations*). Accordingly, the Subordinated Notes may not be paid in full and may be subject to up to a 100 per cent. loss. Furthermore, the leveraged nature of the Subordinated Notes may magnify the adverse impact on the Subordinated Notes of changes in the market value of the 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.

Payments of Interest Proceeds to the holders of the Subordinated Notes 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 Subordinated Notes 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) to make payments to the holders of the Subordinated Notes in accordance with the Priorities of Payments.

Following an acceleration of the Notes which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Event of Default*) 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 or amounts which represent Hedge Issuer Tax Credit Payments which are required to be paid or returned to a Hedge Counterparty outside the Priorities of Payments in accordance with the Hedge Agreement) 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 Subordinated Notes, and each Class of 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 Notes. If an Event of Default has occurred and is continuing, the holders of the Subordinated Notes 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 Notes following any liquidation of the Collateral and the application of the proceeds from the Collateral to pay senior Classes of Notes and the fees, expenses, and other liabilities payable by the Issuer.

2.10 **The Portfolio may be insufficient to redeem the Notes following an Event of Default**

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

2.11 **The Reinvestment Period may terminate early**

The Reinvestment Period may terminate early if any of the following occur: (a) acceleration following an Event of Default, (b) an Optional Redemption or (c) the Collateral Manager reasonably determines that it can no longer reinvest in additional Collateral Obligations in accordance with the Trust Deed and the Collateral Management and Administration Agreement. Early termination of the Reinvestment Period could adversely affect returns to the Subordinated Notes and may also cause the Noteholders to receive principal payments earlier than anticipated.

2.12 **The Collateral Manager may reinvest Unscheduled Principal Proceeds, Sale Proceeds from the sale of Credit Risk Obligations and Sale Proceeds from the sale of 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 Notes.

2.13 **The Trust Deed requires mandatory redemption of the Rated Notes for failure to satisfy Coverage Tests, Interest Diversion Test 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 Noteholders 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, Sale Proceeds from the sale of Credit Risk Obligations and Sale Proceeds from the sale of 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 Subordinated Notes, 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.

On any Determination Date following the expiry of the Reinvestment Period, upon a failure of the Interest Diversion Test, a portion of Interest Proceeds will be used to redeem the Rated Notes in accordance with the Note Payment Sequence. See Condition 7(c) *(Mandatory Redemption upon Breach of Coverage Tests or Interest Diversion Test)*.

2.14 **The Notes are subject to Special Redemption at the option of the Collateral Manager**

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Collateral Manager (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 Priority of Payments. The application of funds in that manner could result in an elimination, deferral or reduction of amounts available to make payments with respect to the Subordinated Notes.

2.15 **Additional issuances of Notes and other terms of the Notes may have different terms and may have the effect of preventing the failure of the Coverage Tests and the occurrence of an Event of Default**

The Issuer may issue and sell additional Notes 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 Notes 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 Noteholders (save for the Subordinated Noteholders acting by way of Ordinary Resolution and in the case of the issuance of additional Class A Notes, subject to the approval of the Controlling Class). See Condition 17 (*Additional Issuances*).

If any additional issuance of Notes is not considered fungible for US federal income tax purposes with existing securities of the same class, the Issuer shall arrange for the new securities to be assigned a separate ISIN.

The Collateral Manager may, pursuant to the Priorities of Payments, apply funds by either deferring, designating for reinvestment in Collateral Obligations or the purchase of Notes pursuant to Condition 7(k) (*Purchase*) or irrevocably waiving all or a portion of the Collateral Management Fees that would otherwise have been payable to it or designating a Supplemental Reserve Amount.

A Noteholder may, in certain circumstances, provide the Issuer with cash by way of a Contribution, to be applied toward a specified Permitted Use.

The use of issuance proceeds of any additional issuances as Principal Proceeds, the purchase by the Issuer of Notes or the receipt by the Issuer of a Contribution 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 an Event of Default and permit the Controlling Class to exercise remedies under the Trust Deed.

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

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

The Notes are subject to optional and mandatory redemption in a variety of circumstances (see Condition 7 (*Redemption and Purchase*). Depending on which of the specific provisions of Condition 7 (*Redemption and Purchase*) are applicable, in some circumstances the Notes will be redeemed in whole and in others they will only be redeemed in part. In some instances the Notes may be redeemed at the option of either the Subordinated Noteholders, 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 general terms, optional or mandatory redemption will give rise to a number of risks including the following:

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

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

(iii) where one or more Classes of Rated Notes are redeemed through a Refinancing, Noteholders should be aware that any such redemption would occur outside of the Note Payment Sequence and the Priorities of Payments. Subject to certain conditions, the Rated Notes may be redeemed in whole or in part by the Issuer by the redemption in whole of one or more Classes of Rated Notes at their applicable Redemption Price(s) from Refinancing Proceeds at the option of the Subordinated Noteholders (acting by Ordinary Resolution) but without the consent of the holders of any other Class of Notes. In addition Noteholders of a Class of Rated Notes that are redeemed through a Refinancing should be aware that the Applicable Margin of any new notes will be equal to or lower than the Applicable Margin of such Rated Notes immediately prior to such Refinancing; and

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

2.17 **A decrease in EURIBOR will lower the interest payable on the Floating Rate Notes and an increase in EURIBOR may indirectly reduce the credit support to the Floating Rate Notes**

Prior to the occurrence of a Frequency Switch Event, the Floating Rate Notes accrue interest at three month EURIBOR (other than in the case of the initial interest period, as determined pursuant to a straight line interpolation of the rates applicable to six and nine month EURIBOR). Following the occurrence of a Frequency Switch Event, the Floating Rates Notes will accrue interest at six month EURIBOR. The interest rate may fluctuate from one accrual period to another in response to changes in EURIBOR. The Subordinated Notes do not bear a stated rate of interest. Several years ago, EURIBOR experienced historically high volatility and significant fluctuations. It is likely that EURIBOR will continue to fluctuate and none of the Issuer, the Collateral Administrator, the Collateral Manager, the Trustee, the Placement Agent nor any of their Affiliates make any representation as to what EURIBOR will be in the future. Because the Floating Rate Notes bear interest based upon three month EURIBOR (other than in respect of the initial Interest Period) as described in Condition 6(f) (*Interest on the Floating Rate Notes*), there may be a basis mismatch between the Floating Rate 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 three-month or six-month EURIBOR for a different accrual period. In addition, up to 15 per cent. of the Collateral Principal Amount of Collateral Obligations or Eligible Investments may bear interest at a fixed rate. It is possible that EURIBOR payable on the Floating Rate Notes may rise (or fall or be negative) 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 Floating Rate 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 Floating Rate 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 Floating Rate 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 Floating Rate Notes.

There may also be a timing mismatch between the Floating Rate 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 Floating Rate Notes. Such a mismatch could result in the Issuer not collecting sufficient Interest Proceeds to make interest payments on the Floating Rate 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 the Hedging Condition is satisfied. 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 Floating Rate Notes and to make distributions to the holders of the Subordinated Notes, nor that the Hedge Agreements will ensure any particular return on any such Notes.

2.18 **The average lives of the Notes may vary**

The average life of each Class of Notes 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 or Interest Diversion Test*), Optional Redemption, redemption following a Note Tax Event or Special Redemption. Retirement of the Collateral Obligations prior to their respective final maturities will depend, among other things, on the financial condition of the Obligors 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 Noteholders and the yield to maturity of the Notes. See "*The Portfolio*".

2.19 **Projections, forecasts and estimates are forward looking statements and are inherently uncertain**

Estimates of the average lives of the Notes, together with any projections, forecasts and estimates provided to prospective purchasers of the Notes, are forward-looking statements. Projections are necessarily speculative in nature, and it should be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, actual results will vary from the projections, and such variations may be material. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates, exchange rates and default and recovery rates; market, financial or legal uncertainties; the timing of acquisitions of Collateral Obligations; differences in the actual allocation of Collateral Obligations among asset categories from those assumed; mismatches between the time of accrual and receipt of Interest Proceeds from the Collateral Obligations. None of the Issuer, the Placement Agent, the Arranger, 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.

2.20 **Certain ERISA considerations**

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

2.21 **Changes in tax law; no gross up**

At the time when they are acquired by the Issuer, the Eligibility Criteria require that payments in respect of the Collateral Obligations will not be subject to withholding tax imposed by any jurisdiction (other than U.S. withholding tax on fees) unless (i) such withholding tax, on completion of the necessary procedural formalities, if any, can be sheltered by application being made under the applicable double tax treaty or any relevant domestic law, or (ii) the Obligor is required to make "gross up" payments to the Issuer that cover the full amount of any such withholding or deduction on an after-tax basis. However, there can be no assurance that, as a result of any change in market practice, any applicable law, rule or regulation or interpretation thereof, the payments on the Collateral Obligations (including payments by Selling Institutions in the case of Participations) will not in the future become subject to withholding tax or increased withholding rates in respect of which the relevant Obligor (or, in the case of Participations, the Selling Institution) is not obliged to make "gross up" payments to the Issuer. In such circumstances, the Issuer may be able, but will not be obliged, to take advantage of (a) a double taxation treaty between The Netherlands and the jurisdiction from which the relevant payment is made, (b) the current applicable law in the jurisdiction of the 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. If the Issuer receives any interest payments on any Collateral Obligation net of any applicable withholding tax, the Coverage Tests and Collateral Quality Tests will be determined by reference to such net receipts. Such tax (if no corresponding gross up payment is received) would also reduce the amounts available to make payments on the Notes. There can be no assurance that remaining payments on the Collateral Obligations would be sufficient to make timely payments of interest, principal on the Maturity Date and other amounts payable in respect of the Notes of each Class. If interest payments in respect of Collateral Obligations to the Issuer become

subject to withholding tax, this may also trigger a Collateral Tax Event and result in an optional redemption of the Notes in accordance with Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*).

2.22 **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 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 who has and habitually exercises authority in the UK to do business on the Issuer's behalf. The Issuer does not intend to have a place of business in the UK. The Collateral Manager will, however, have and is expected to exercise authority to do business on behalf of the Issuer pursuant to the Collateral Management and Administration Agreement.

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 an agency of the Collateral Manager for the purposes of UK taxation, it should not be subject to UK tax on the basis that the specific domestic UK tax exemption for profits generated in the UK by a collateral manager acting on behalf of its non- resident clients (section 1146 of the Corporation Tax Act 2010) should be available in the context of this transaction.

Should the Collateral Manager be assessed to UK tax on behalf of the Issuer, it will 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. 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 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 Notes in accordance with Condition 7(g) (*Redemption following Note Tax Event*).

2.23 **Forced transfer**

Each initial purchase of an interest in a Rule 144A Note and each transferee of an interest in a Rule 144A Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is both a QIB and a QP. In addition, each Noteholder will be deemed or in some cases required to make certain representations in respect of ERISA and Section 4975 of the Code.

The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines at any time that any holder of an interest in a Rule 144A Note is a U.S. person as defined under Regulation S under the Securities Act (a "**U.S. Person**") and is not both a QIB and a QP (any such person, a "**Non-Permitted Holder**") or a Noteholder is a Non-Permitted ERISA Holder, the Issuer shall, 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 the Netherlands IGA, the Issuer will be required to, among other things, provide Holder FATCA Information to the applicable Netherlands taxing authority.

The Issuer may force the sale of a Noteholder's Notes in order to achieve FATCA Compliance, including Notes held by a Noteholder that fails to provide the required Holder FATCA Information or if the Issuer otherwise reasonably determines that a Noteholder's acquisition or holding of an interest in such a Note would cause the Issuer to be unable to achieve FATCA Compliance (and such sale could be for less than its then fair market value). For these purposes, the Issuer shall have the right to sell a Noteholder's interest in its Notes in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to achieve FATCA Compliance. If the Issuer is required to force such sale, the Issuer shall require the Noteholder to sell its 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 proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer subject to the transfer restrictions set out herein, and the Issuer shall not be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

2.24 **U.S. Tax Risks**

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

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

(b) U.S. trade or business

If the Issuer were to breach certain of its covenants and acquire certain assets (for example, a "United States real property interest" or an equity interest in an entity that is treated as a partnership for U.S. federal income tax purposes and that is itself engaged in a trade or business in the United States), including upon a foreclosure, or breach certain of its other covenants, the Issuer could be engaged in a U.S. trade or business for U.S. federal income tax purposes. Moreover, a breach of certain of these covenants may not give rise to an Event of Default and may not give rise to a claim against the Issuer or the Collateral Manager. A change in law or its interpretation also could result in the Issuer being treated as engaged in a trade or business in the United States for federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis. If it is determined that the Issuer is engaged in a trade or business in the United States for federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer will be subject under the Code to the regular U.S. corporate income tax on its effectively connected taxable income, which may be imposed on a gross basis, and possibly to a 30 per cent. branch profits tax and state and local taxes as well. The imposition of such a tax liability could materially adversely affect the Issuer's ability to make payments on the Notes.

(c) FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income, and on the gross proceeds from the sale, maturity, or other disposition of certain of its assets. Under an intergovernmental agreement entered into between the United States and the Netherlands, the Issuer will not be subject to withholding under FATCA if it complies with

Dutch legislation that is expected to require the Issuer to provide the name, address and taxpayer identification number of, and certain other information with respect to, certain holders of Notes to the Netherlands Tax and Customs Administration, which would then provide this information to the IRS. The Issuer shall use reasonable best efforts to comply with the intergovernmental agreement and the legislation; however, there can be no assurance that the Issuer will be able to do so. Moreover, the intergovernmental agreement or the Dutch implementing legislation could be amended to require the Issuer to withhold on "passthru" payments to holders that fail to provide certain information to the Issuer or are certain "foreign financial institutions" that do not comply with FATCA.

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

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

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

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

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

2.25 **Withholding tax on the Notes**

Although no withholding tax is currently imposed on payments on the Notes, 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 (including FATCA) or any relevant taxing authority. The Issuer is not required to make any "gross up" payments in respect of any withholding tax applied in respect of the Notes.

If a Note Tax Event occurs pursuant to which any payment on the Notes of any Class becomes properly subject to any withholding tax or deduction on account of tax, the Notes may be redeemed in whole but not in part at the direction of the holders of the Subordinated Notes or the Controlling Class 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 Payments.

2.26 **The Issuer may become subject to third party litigation; the Issuer is recently formed and has limited funds available to pay its expenses**

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 claims against the Issuer by third parties, including bankruptcy or insolvency proceedings, and paying any amounts pursuant to settlements or judgments would, except in the unlikely event that the Issuer is indemnified for such amounts, be borne by the Issuer and would reduce the funds available for distribution and the Issuer's net assets.

The Issuer is a recently incorporated private company with limited liability 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 Notes.

The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator, the Collateral Manager and TMF Management B.V. (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 Payments. If such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer, 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 Administrator, which provides the directors to the Issuer, have the right to resign. This could ultimately lead to the Issuer being in default under the applicable laws of The Netherlands and potentially being removed from the register of companies and dissolved.

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

The Issuer has not registered with the 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 an 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 Notes subject to and in accordance with the Conditions of the Notes. See paragraph 2.23 (*Forced transfer*) above.

2.28 **The Dodd-Frank Act and Risk Retention Rules**

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, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the businesses of the Collateral Manager and its subsidiaries and Affiliates and the Issuer, will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect. In addition, the joint final rule implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act ("**U.S. Risk Retention Requirements**") was adopted on October 21 and October 22, 2014. Although such rule will not become effective until 24 December 2016 (the "**U.S. Risk Retention Effective Date**"), it could limit the ability of the Issuer to issue additional Notes or undertake any Refinancing after the U.S. Risk Retention Effective Date.

As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by the Dodd-Frank Act and the rules to be promulgated thereunder in making any investment decision in respect of the Notes.

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

2.29 **Volcker Rule**

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

An "ownership interest" is defined widely and may arise through a holder's exposure to the profit and losses of the covered fund, as well as through any right of the holder to participate in the selection of an investment advisor, manager, or board of directors of the covered fund.

A "hedge fund" and a "private equity fund" are defined widely, and include any issuer which would be an investment company under the Investment Company Act 1940 (the "**ICA**") but is exempt from registration under section 3(c)(1) or 3(c)(7) of that Act. As the Issuer is expected to be exempt from registration under section 3(c)(7) of the ICA, it is expected that the Issuer would be considered to be a covered fund.

2.30 **Risk retention**

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

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

The EU Risk Retention and Due Diligence Requirements described above apply, or are expected to apply, in respect of the Notes. Each investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator to determine whether, and to what extent, the information set out in this Offering Circular and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying such requirements. Investors are required to independently assess and determine the sufficiency of such information. None of the Issuer, the Collateral Manager, the Placement Agent, the Trustee, the Collateral Administrator, the Retention Holder, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose or that the structure of the Notes and the transactions described herein are compliant with the EU Risk Retention and Due Diligence Requirements or any other applicable legal regulatory or other requirements and no such person shall have any liability to any prospective investor or any other person with respect to any deficiency in such information or any failure of the transactions contemplated hereby to comply with or otherwise satisfy such requirements. If a regulator determines that the transaction did not comply or is no longer in compliance with the EU Risk Retention and Due Diligence Requirements or any other applicable legal, regulatory or other requirement, then investors may be required by their regulator to set aside additional capital against their investment in the Notes or take others remedial measures in respect of their investment in the Notes. In addition such regulations could have a negative impact on the price and liquidity of the Notes in the secondary market.

Investors should note that the EBA published a report on 22 December 2014 (the "**EBA Report**"). In the EBA Report the EBA recommended a number of changes to the EU Risk Retention and Due Diligence Requirements. At this time it is unclear what changes if any may be made following the EBA Report. There can be no assurances as to whether the transactions described herein will be affected if at all by a change in law or regulation relating to the Retention Requirements.

Investors should therefore make themselves aware of the EU Risk Retention and Due Diligence 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 Notes. With respect to the commitment of the Collateral Manager to retain a material net economic interest in the securitisation, please see the statements set out in "*Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter*".

2.31 **CRA3**

CRA Regulation in Europe

Regulation of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies ("**CRA3**") came into force on 20 June 2013 (the "**CRA3 Effective Date**"). Article 8(b) of CRA3 requires issuers, sponsors and originators of structured finance instruments such as the Notes to make detailed disclosures of information relating to those structured finance instruments. Such disclosures will need to be made via a website to be set up by the European Securities and Markets Authority ("**ESMA**"). As yet, this website has not been set up so issuers, originators and sponsors cannot currently comply with Article 8(b). The European Commission has approved regulatory technical standards which were published in the Official Journal of the European Union on 30 September 2014, detailing the scope and nature of the required disclosure. The reporting requirements will generally become effective on 1 January 2017. In their current form, the regulatory technical standards only apply to structured finance instruments for which a reporting template has been specified. Currently there is no template for CLO transactions.

Additionally, Article 8(c) of CRA3 has introduced a requirement that issuers or related third parties of structured finance instruments obtain two independent ratings for their obligations; and should consider appointing at least one rating agency having less than a 10 per cent. market share among agencies capable of rating that instrument. The Issuer intends to have two rating agencies appointed, but does

not make any representation as to market share of either agency, and any consequences for the Issuer, related third parties and investors if an agency does not have a less than 10 per cent. market share are not specified. Investors should consult their legal advisors as to the applicability of CRA3 and any consequence of non-compliance in respect of their investment in the Notes.

2.32 **Financial Transaction Tax** ("**FTT**")

In February 2013 the European Commission published a proposal for a Council Directive implementing enhanced cooperation for a FTT requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal Spain, Slovakia and Slovenia, (the "**Participating Member States**").

In its current form, the proposed FTT would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State, or the financial instrument in which the parties are dealing is issued in a Participating Member State. The FTT will apply to both transaction parties where one of these circumstances applies.

Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to any implementation. A joint statement issued by Participating Member States indicate an intention to implement the FTT by 1 January 2016. Additional Member States may also decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on their dealings in the Notes before investing.

The FTT may also apply to dealings in the Collateral to the extent the Collateral constitutes financial instruments within its scope, such as bonds. In such circumstances, there will be no gross-up by any party to the transaction and amounts due to Noteholders may be adversely affected.

The meeting of the European Union Economic and Financial Affairs Council on 7 November 2014 confirmed the aim among the Participating Member States of implementing the first phase of the FTT with effect from 1 January 2016. In a further joint statement by the finance ministers of the Participating Member States (except for Greece) published on 27 January 2015 reiterated that the anticipated implementation date remains 1 January 2016.

2.33 **Evolution of international fiscal and taxation policy and Action Plan on Base Erosion and Profit Shifting**

Fiscal and taxation policy and practice is constantly evolving and at present the pace of evolution has been quickened due to a number of developments which include, but are not limited to, the Organisation for Economic Co-operation and Development ("**OECD**") Base Erosion and Profit Shifting project ("**BEPS**"). In July 2013 the OECD published its Action Plan on 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. On 16 September 2014 the OECD released its recommendations in respect of Action 6 and a discussion draft was released on 21 November 2014.

As a minimum, the OECD recommended that countries should include in their tax treaties one or both of a "limitation-on-benefits" provision and a "principal purposes test" provision.

A "limitation-on-benefits" provision would limit the benefits of treaties, in the case of companies and in broad terms, to (i) certain publicly listed companies and their subsidiaries, (ii) certain not-for-profit organisations and companies which carry on a pensions business; (iii) companies owned by persons who would be eligible for treaty benefits provided that the majority of the company's gross income is not paid to a third country in a tax deductible form; (iv) companies engaged in the active conduct of a trade or business (other than of making or managing investments) and (iv) companies which were not established in a particular jurisdiction with a principal purpose of obtaining treaty benefits.

A "principal purposes test" could deny a treaty benefit (such as reduced rates of withholding tax) if it is reasonable to conclude, having regard to all facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit.

The OECD notes however that "further work is also needed with respect to the implementation of the minimum standard and with respect to the policy considerations relevant to treaty entitlement of collective investment vehicles ("**CIVs**") and non-CIV funds.

A further discussion draft released on 22 May 2015 which proposed a simplified "limitation-on-benefits" provision where a "principal purpose test" is included in a tax treaty. This simplified "limitation-on-benefits" provision would, among other things, enable individual jurisdictions to create mechanisms for the clearance of certain special purpose vehicles where such special purpose vehicle does not have a principal purpose of treaty abuse. The final form of the Action 6 recommendations is still not certain and in particular, the treaty entitlement of CIVs and non-CIVs is still subject to further discussion and consideration. The final version of the revised report in relation to Action 6 is expected to be released in September 2015.

Another action point (Action 7) is to develop changes to the treaty definition of a permanent establishment and the scope of the exemption for an "agent of independent status" to prevent the artificial avoidance of having a permanent establishment in a particular jurisdiction. As yet no recommendations have been issued in respect of this action point. A discussion draft was published in relation to Action 7 on 31 October 2014.

The OECD Action Plan on Base Erosion and Profit Shifting notes the need for a swift implementation of these measures and suggests that these two action points, amongst others, could be implemented by way of multilateral instrument, rather than by way of the more protracted process of negotiating and amending individual tax treaties.

The recommendations for Action 6 (in particular in relation to its application to CIVs and non-CIV funds) is subject to further work. Action 7 is subject to public consultation. It is not clear what form the final recommendations of the OECD will take. Once the final recommendations are given, it is not clear whether, when, how and to what extent particular jurisdictions will decide to adopt the recommendations in respect of these and other action points. The implementation of the recommendations could result in the Issuer being treated as having a taxable permanent establishment outside of the Netherlands, in denying the Issuer the benefit of the Netherlands network of tax treaties or in other tax consequences for the Issuer.

2.34 **Diverted Profits Tax**

On 10 December 2014, HM Revenue & Customs published draft legislation for the introduction of a new tax in the United Kingdom to be called the "diverted profits tax" and charged at 25 per cent. of any "taxable diverted profits". The diverted profits tax was enacted in Finance Act 2015 which received Royal Assent on 26 March 2015. The tax has effect from 1 April 2015 and may apply in circumstances including where arrangements are designed to ensure that a non-UK resident company does not carry on a trade in the United Kingdom through a permanent establishment, the non-resident company supplies goods, services or other property in the course of that non-resident company's trade and it is reasonable to assume that arrangements are in place the main purpose or one of the main purposes of which is to avoid United Kingdom corporation tax.

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

2.35 **EMIR**

The European Market Infrastructure Regulation EU 648/2012 ("**EMIR**") entered into force on 16 August 2012. 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 investment firms, alternative investment funds, credit institutions and insurance companies, or other entities which are "non-financial counterparties".

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

Non-financial counterparties are excluded from the clearing obligation and certain of the risk mitigation obligations provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its "group" (as defined in EMIR), excluding eligible hedging transactions, do not exceed certain thresholds. If the Issuer is considered to be a member of such a "group" (as defined in EMIR) and if the notional value of derivative contracts entered into by the Issuer or other non-financial counterparties within any such group exceeds the applicable threshold, the Issuer would be subject to the clearing obligation. Whilst the currency hedges to be entered into by the Issuer are expected to be treated as hedging transactions and deducted from the total in assessing whether the notional value of derivative contracts entered by the Issuer or its "group", the regulator may take a different view. If the Issuer exceeds the applicable clearing thresholds, it would also be subject to the full set of risk mitigation obligations and would be required to post collateral in respect of non-cleared OTC derivative contracts. The Issuer would be unable to comply with such requirements, which could result in the sale of Non-Euro Obligations and/or termination of relevant Hedge Agreements. Hedge counterparties may also be unable to enter into hedge transactions with the Issuer. This would limit the Issuer's ability to invest in Non-Euro Obligations and put it in breach of its obligation to enter into Currency Hedge Transactions with respect to any Non-Euro Obligations it has purchased. Any termination of a Hedge Agreement as a result of non-compliance with such requirements or as a result of the Issuer becoming a financial counterparty as described above or otherwise would expose the Issuer to costs and increased interest rate or currency exchange rate risk until the hedged assets can be sold.

The Conditions allow the Issuer and oblige the Trustee, without the consent of any of the Noteholders, to amend the Transaction Documents and/or the Conditions which the Issuer certifies are required to comply with the requirements of EMIR which may become applicable in future.

Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts (including the potential for non-financial counterparties such as the Issuer to become subject to marking to market and collateral posting requirements in respect of non-cleared OTC derivatives such as Currency Hedge Transactions and Interest Rate Hedge Transactions) and may adversely affect the Issuer's ability to enter the currency hedges and therefore the Issuer's ability to acquire Non-Euro Obligations. As a result of such increased costs and/or additional regulatory requirements, investors may receive significantly less or no interest or return, as the case may be. Investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respect of the Notes.

2.36 **Alternative Investment Fund Managers Directive**

EU Directive 2011/61/EU on Alternative Investment Fund Managers *(*"**AIFMD**") AIFMD became effective on 22 July 2013, and introduces authorisation and regulatory requirements for managers of alternative investment funds ("**AIFs**"). If the Issuer were to be considered to be an AIF within the meaning AIFMD, it would need to be managed by a manager authorised under AIFMD (an "**AIFM**"). The Collateral Manager is not authorised under AIFMD but is authorised under MiFID. As the Collateral Manager is not permitted to be authorised under AIFMD and also to conduct certain regulated activities under MiFID, it will not be able to apply for an authorisation under AIFMD unless it gives up its authorisation under MiFID (in which case it may not be able to hold the retention required under CRR (see paragraph 2.30 "*Risk retention*" above)). 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 with respect to Hedge Transactions including obligations to post

margin to any central clearing counterparty or market counterparty. See also paragraph 2.35 "*EMIR*" above.

There is an exemption from the definition of AIF in AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"), defined by reference to securitisation within the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank of 19 December 2008. ESMA has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it.

If the SSPE exemption does not apply and the Issuer is considered to be an AIF, the Collateral Manager may not be able to continue to manage the Issuer's assets, or its ability to do so may be impaired. It is unlikely that the Collateral Manager will be able to seek authorisation under AIFMD, as an entity authorised under AIFMD is not able to act as a "sponsor" for the purposes of the Retention Requirements. As a result, implementation of AIFMD may affect the return investors receive from their investment.

If the Collateral Manager cannot continue to manage the Issuer's assets, the Issuer may delegate the management of its assets to a duly licensed AIFM. Such an AIFM would need to comply with a number of requirements under AIFMD, including the appointment of a custodian in respect of the Issuer's assets and compliance with certain reporting and disclosure obligations. Compliance with AIFMD by any AIFM appointed by the Issuer will involve significant additional costs which again may affect the return investors receive from their investment.

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

2.37 **Regulatory Initiatives**

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

This uncertainty is further compounded by the numerous regulatory efforts underway in Europe, the U.S. and globally. Certain of these efforts overlap. In addition, even where these regulatory efforts overlap, they generally have not been undertaken on a coordinated basis. Areas where divergence between regulation exists or has begun to develop (whether with respect to scope, interpretation, timing, approach or otherwise) includes trading, clearing and reporting requirements for derivatives transactions, higher capital and margin requirements relating to uncleared derivatives transactions, and capital and liquidity requirements that may result in mandatory "ring-fencing" of capital or liquidity in certain jurisdictions, among others. Investors should be aware that those risks are material and that the Issuer and, consequently, an investment in the Notes could be materially and adversely affected thereby.

2.38 **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.

2.39 **Proposed changes to U.S. securities laws could have adverse impacts**

Proposed rules regarding risk retention by sponsors of asset-backed securities could potentially limit the ability of the Issuer to issue additional Notes or undertake any partial redemption by Refinancing. 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 in response to the economic crisis or otherwise, and the effect of such actions, if any, cannot be known or predicted.

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

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

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

2.41 **Security**

(a) Clearing Systems

Collateral in the form of securities (if any) will be held by the Custodian on behalf of the Issuer pursuant to the Agency and Account Bank Agreement. The Custodian will hold such assets which can be cleared through Euroclear in an account with Euroclear which has been opened by the Custodian (the "**Euroclear Account**") and will hold the other securities comprising the Portfolio which cannot be so cleared through its accounts with Clearstream, Luxembourg and The Depository Trust Company ("**DTC**"), as appropriate, 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 and Account Bank Agreement (as defined in the Conditions) which may expose the Secured Parties to the risk of loss in the case of a shortfall of such securities if an insolvency of the Custodian or its sub-custodian occurs.

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

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

(b) Fixed Security

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

2.42 **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, Noteholders may not be able to resell their Notes without a substantial discount. Any reduction or withdrawal to the ratings on any Class of Rated Notes may significantly reduce the liquidity of 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 Interest Diversion Test, the Portfolio Profile Tests and the Coverage Tests are sensitive to variations in the ratings applicable to the underlying Collateral Obligations. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Credit Risk Obligation, a Caa Obligation, a CCC Obligation (and therefore potentially subject to haircuts in the determination of the Par Value Tests and the Interest Diversion Test and restriction in the Portfolio Profile Tests) or a Defaulted Obligation. The Collateral Management and Administration 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 Noteholders. In addition, some ratings will be derived by the Collateral Manager based on, among other things, Obligor group or affiliate ratings, comparable ratings provided by a different Rating Agency and, in certain circumstances, temporary ratings applied by the Collateral Manager. Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Collateral Obligation and may reflect a more or less conservative view of the actual credit risk of such Collateral Obligation than any such fundamental credit analysis might, if conducted, warrant; and model-derived variations in such ratings may occur (and have consequential effects on the Collateral Quality Tests, the Interest Diversion Test, the Portfolio Profile Tests and the Coverage Tests) without necessarily reflecting comparable variation in the actual credit quality of the Collateral Obligation in question. Please see "*The Portfolio" and "Ratings of the Notes*".

There can be no assurance that rating agencies will continue to assign such ratings utilising the same methods and standards utilised today despite the fact that such 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 on subsequent Determination Dates, which failure could lead to the early amortisation of some or all of one or more Classes of the Notes (or the requirement to reinvest Interest Proceeds in additional Collateral Obligations as opposed to applying them in the payment on the Notes in accordance with the Priorities of Payments in the case of failure of the Interest Diversion Test). See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests or Interest Diversion Test*).

(a) 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 Noteholders.

If a Rating Agency announces or informs the Trustee, the Collateral Manager or the Issuer that confirmation from such Rating Agency is not required for a certain action or that its practice is to not give such confirmations for certain types of actions, the requirement for confirmation from such Rating Agency will not apply. Further, in connection with the Effective Date, if either Rating Agency has not yet confirmed or been deemed to have 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.

(b) 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 Notes. Such unsolicited ratings could have a material adverse effect on the price and liquidity of the Rated Notes and, for regulated entities, could adversely affect the value of the Rated Notes as a legal investment or the capital treatment of the Rated Notes. 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.

Actions of any Rating Agency can adversely affect the market value or liquidity of the 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 Notes. In such case, the price or transferability of the Notes (and any beneficial owner of Notes that relies on ratings of securities for regulatory or other compliance purposes) may be adversely affected.

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

The Issuer will, or will procure that, certain information will be made available to Noteholders (and other participants in the transaction) pursuant to the Monthly Reports and the Payment Date Reports (see "*Description of the Reports*"). Noteholders may access these reports by way of a unique password obtained from the Collateral Administrator (or as may otherwise be permitted by the Collateral Manager). In preparing and furnishing these 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. Neither such information nor any other financial information furnished to Noteholders will be audited and reported upon, and an opinion will not be expressed, by an independent public accountant.

2.44 **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 Placement Agent, or other service providers to the Issuer, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to investors in the Notes. Such legislation and/or regulations could require the Issuer to implement additional restrictions on the transfer of the Notes. The Issuer reserves the right to request such information as is necessary to verify the identity of a Noteholder and the source of the payment of subscription monies, or as is necessary to comply with any customer identification programs required by FinCEN and/or the SEC. If there is a delay or failure by the applicant to produce any information required for verification purposes, an application for or transfer of Notes and the subscription monies relating thereto may be refused.

2.45 **Resolutions, Amendments and Waivers**

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

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

If a meeting of Noteholders is called to consider a Resolution, determination as to whether the requisite number of Notes has been voted in favour of such Resolution will be determined by reference to the percentage which the Notes voted in favour represent of the total amount of Notes held or represented by any person or persons entitled to vote which are present at such meeting and not by the aggregate Principal Amount Outstanding of all such Notes which are entitled to be voted in respect of such Resolution. The voting threshold at any Noteholders' meeting in respect of an Ordinary Resolution or an Extraordinary Resolution of all Noteholders is, respectively, more than 50 per cent. or at least 66⅔ per cent. of the votes cast on such Resolution. This means that a lower percentage of Noteholders may pass a Resolution which is put to a meeting of Noteholders than would be required for a Written Resolution in respect of the same matter, which would be determined by reference to the aggregate Principal Amount Outstanding of the relevant Class of Notes. See Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*). There are however quorum provisions which provide that a minimum number of Noteholders representing a minimum amount of the aggregate Principal Amount Outstanding of the applicable Class or Classes of Notes be present at any meeting to consider an Extraordinary Resolution or Ordinary Resolution. In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable) and in the case of an Ordinary Resolution this is one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable). Such quorum provisions still, however, require considerably lower thresholds than would be required for a Written Resolution. In addition, if a quorum requirement is not satisfied at any meeting, a lower quorum threshold (when a quorum will be satisfied by any one or more persons holding any Notes (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 Noteholders, Modification, Waiver and Substitution*)

and in the Trust Deed. Any such Resolution may be adverse to any Class of Noteholders or to any group of Noteholders or individual Noteholders within any Class.

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 Notes require authorisation by resolution of the requisite majority of the holders of a Class or Classes of Notes.

For so long as the Class A Notes (or if the Class A Notes are redeemed and paid in full or if 100 per cent. of the Class A Notes are in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes, the Class B Notes or if the Class B Notes are redeemed and paid for in full or if 100 per cent. of the Class A Notes and the Class B Notes are in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes, the Class C Notes, or if the Class C Notes are redeemed and paid for in full or if 100 per cent. of the Class A Notes, the Class B Notes and the Class C Notes are in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes, the Class D Notes) are the Controlling Class, Class A Notes (or Class B Notes, Class C Notes or Class D Notes, as applicable) that are in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes will have no right to vote or be counted in any quorum or result of voting in connection with any CM Removal Resolution or CM Replacement Resolution. As a result, only Class A Notes (or Class B Notes, Class C Notes or Class D Notes, as applicable) that are in the form of CM Voting Notes may vote and be counted in any quorum or result of voting in respect of a CM Removal Resolution or a CM Replacement Resolution.

Class A Notes (or if the Class A Notes are redeemed and paid in full or if 100 per cent. of the Class A Notes are in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes, the Class B Notes or if the Class B Notes are redeemed and paid for in full or if 100 per cent. of the Class A Notes and the Class B Notes are in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes, the Class C Notes, or if the Class C Notes are redeemed and paid for in full or if 100 per cent. of the Class A Notes, the Class B Notes and the Class C Notes are in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes, the 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 Noteholders. Investors should be aware that such CM Voting Notes will be entitled to vote to pass a CM Removal Resolution or a CM Replacement Resolution and the remaining percentage of the Controlling Class (in the form of CM Non-Voting Notes and/or CM Non-Voting Exchangeable Notes) will be bound by such Resolution. Holders of the CM Voting Notes may have interests that differ from other holders of Class A Notes (or Class B Notes, Class C Notes or Class D Notes, as applicable) and may seek to profit or seek direct benefits from their voting rights.

The Controlling Class for the purposes of a CM Removal Resolution or a CM Replacement Resolution shall be determined in accordance with the definition thereof set out in the Conditions below. In particular, investors in the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes should be aware that for so long as the Class A Notes have not been redeemed and paid in full (or if the Class A Notes are redeemed and paid in full or if 100 per cent. of the Class A Notes are in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes, the Class B Notes or if the Class B Notes are redeemed and paid for in full or if 100 per cent. of the Class A Notes and the Class B Notes are in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes, the Class C Notes, or if the Class C Notes are redeemed and paid for in full or if 100 per cent. of the Class A Notes, the Class B Notes and the Class C Notes are in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes, the Class D Notes), if no Class A Notes (or Class B Notes, Class C Notes or Class D Notes, as applicable) are held in the form of CM Voting Notes, the Class A Notes (or Class B Notes, Class C Notes or Class D Notes, as applicable) will not be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution and such right shall pass to a more junior Class of Notes in accordance with the definition of "Controlling Class".

Certain waivers, amendments and modifications to the Transaction Documents may be made without the consent of any Noteholders and the Trustee (subject to the receipt of prior written notice and certain other conditions including, without limitation those set out in Condition 14(c) (*Modification and Waiver*)) will be obliged to consent to such changes. Without limitation to the foregoing, potential investors should note that the Issuer may amend the Transaction Documents to modify or amend the components of the Portfolio Profile Tests, the Eligibility Criteria, the Reinvestment Criteria, the Collateral Quality Tests or certain Rating Agency requirements and the related definitions, provided that Rating Agency Confirmation has been obtained and (to the extent provided in Condition 14(c) (*Modification and Waiver*)) the Controlling Class has consented by way of Ordinary Resolution or has

not opposed such amendments. The Trustee has no discretion in such cases to agree to any amendments, modifications and/or waivers. See Condition 14(c) (*Modification and Waiver*). Any such amendment or modification could be prejudicial or adverse to certain Noteholders.

The Trustee may agree to the entry by the Issuer into additional agreements not expressly prohibited by the Trust Deed or the Collateral Management and Administration Agreement (and amendments, waivers or modifications thereto), in each case without the consent of the Noteholders if the Trustee determines that such entry, amendment, modification or waiver would not, upon or after becoming effective, be materially prejudicial to the rights or interests of the Holders of any Class of Notes. The Trustee may further agree to formal, minor or technical changes to the Transaction Documents, changes to correct a manifest error, or changes which, in its opinion, are not materially prejudicial to the interests of the Noteholders of any Class without the consent of the Noteholders. See Condition 14(c) (*Modification and Waiver*).

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 can only be amended or waived by Extraordinary Resolution. It should however be noted that amendments may still be effected and waivers may still be granted in respect of such provisions in circumstances where not all Noteholders agree with the terms thereof and any amendments or waivers once passed in accordance with the provisions of the Conditions and the provisions of the Trust Deed will be binding on all such dissenting Noteholders.

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

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 be beneficial to or in the best interests of the Noteholders.

2.46 **Modification of Transaction Documents without consent of Noteholders**

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

The Issuer has agreed in the Collateral Management and Administration Agreement that it will not permit any amendment to the Notes, the Trust Deed, or any other Transaction Document that affects the obligations, rights or interests of the Collateral Manager under the Collateral Management and Administration Agreement or any other Transaction Document including, without limitation, the amount or priority of any fees or other amounts payable to the Collateral Manager, to become effective unless the Collateral Manager has been given prior written notice of such amendment and has consented thereto in writing. In addition, certain modifications, amendments or supplements as set out in Condition 14(c) (*Modification and Waiver*) may require the prior consent of the Hedge Counterparty(ies). If such consents are not provided the Issuer may be prevented from making certain amendments and modifications and this may be adverse to the interests of certain Noteholders.

2.47 **Enforcement rights following an Event of Default**

If an Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by 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 Notes 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 Ordinary Resolution (subject to the Trustee being indemnified and/or prefunded and/or secured to its satisfaction). Following an Event of Default described in paragraph (vi) (*Insolvency Proceedings*) of the definition thereof, such notice shall

be deemed to have been given and all the Notes shall automatically become immediately due and payable.

At any time after the Notes become due and 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) it determines in accordance with Condition 11 (*Enforcement*) that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith), would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes other than the Subordinated Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) and all amounts payable in priority to the Subordinated Notes pursuant to the Priorities of Payments; or otherwise (B) in the case of an Event of Default specified in sub-paragraphs (i), (ii), (iv) or (vi) of Condition 10(a) (*Events of Default*) the Controlling Class acting by way of Extraordinary Resolution (and no other Class of Notes) may direct the Trustee to take Enforcement Action without regard to any other Event of Default which has occurred prior to, contemporaneously or subsequent to such Event of Default.

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

2.48 **Redemption and Prepayment of Class A-3 Notes in Whole or in Part during the Class A-3 Fixed Rate Period**

If any Class A-3 Notes are subject to redemption or prepayment in whole or in part in accordance with the Conditions at any time during the Class A-3 Fixed Rate Period (including, without limitation, any mandatory redemption in part in accordance with Condition 7(c) (*Mandatory Redemption Upon Breach of Coverage Tests or Interest Diversion Test*) or any prepayment upon acceleration of the Class A-3 Notes in accordance with Condition 10(b) (*Acceleration*)), the Issuer will be required to pay an amount equal to the then applicable Class A-3 Make-Whole Amount. Such amount will be payable in accordance with the Priorities of Payment on the relevant date of redemption or prepayment. The applicable Class A-3 Make-Whole Amount payable by the Issuer will be determined by reference to the amount of principal to be redeemed or prepaid and will be equal to the discounted present value of the coupon amounts (discounted based on current and expected future short term interest rates at the time of such redemption or prepayment) in excess of a reference swap rate, that would have been payable on such redeemed amount over the remainder of the Class A-3 Fixed Rate Period had such redemption or prepayment not occurred.

Any Class A-3 Make-Whole Amount will be payable by the Issuer on a subordinated basis but in priority to any payments to Subordinated Noteholders in accordance with the Priorities of Payment and will therefore reduce the amount of Interest Proceeds and Principal Proceeds available for distribution to Subordinated Noteholders on Payment Dates.

In addition, Optional Redemption of all Classes of Rated Notes in whole in accordance with Condition 7(b) (*Optional Redemption*) will only be permitted in circumstances where all Refinancing Proceeds, Sale Proceeds and all other funds available to the Issuer are sufficient to repay all amounts due and payable in respect of all Classes of Notes other than the Subordinated Notes on the applicable Redemption Date. Accordingly, if a Class A-3 Make-Whole Amount were payable by the Issuer in connection with such Optional Redemption, the Issuer would require sufficient funds to be available in order to successfully complete such Optional Redemption.

2.49 **EU Directive on the Taxation of Savings Income**

Under Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), each member state is required to provide to the tax

authorities of another member state details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain entities (as described in Article 4.2 of the EU Savings Directive each a "**Residual Entity**") established in that other member state; however for a transitional period, Austria may instead apply a withholding system in relation to such payments. The end of this transitional period depends on the conclusion of certain other agreements relating to the exchange of information with certain other countries.

A number of non-EU countries, including Switzerland, ("**Third Countries**") and certain dependent or associated territories of certain member states ("**Dependent and Associated Territories**") have adopted similar measures (either the provision of information or transitional withholding) in relation to payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or Residual Entities established in another member state, or certain Third Countries or Dependent and Associated Territories.

The Council of the European Union formally adopted a Council Directive amending the EU Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. EU Member States have until 1 January 2016 to adopt national laws to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the EU Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

However, the European Commission has proposed the repeal of the EU 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 EU 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). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive. Investors who are in any doubt as to their position should consult their professional advisers.

2.50 Taxation Implications of Contributions

A Noteholder may, in certain circumstances, provide the Issuer with cash by way of a Contribution in accordance with Condition 3(d) (*Contributions*). Noteholders may become subject to taxation in relation to the making of a Contribution. Noteholders are solely responsible for any and all taxes that may be applicable in such circumstances. Noteholders should consult their own tax advisors as to the tax treatment to them of making a Contribution in accordance with Condition 3(d) (*Contributions*).

3. Relating to the Collateral Obligations

3.1 The Portfolio

The decision by any prospective Noteholder to invest in the Notes should be based, among other things (including, without limitation, the identity of the Collateral Manager), on the Eligibility Criteria which each Collateral Obligation is required to satisfy, as disclosed in this Offering Circular, and on the Portfolio Profile Tests, Collateral Quality Tests, the Interest Diversion Test, 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 Notes will be secured from time to time. Purchasers of any of the Notes will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Issuer and, accordingly, will be dependent upon the 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, the Placement Agent or the Arranger 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 Placement Agent, the Arranger, 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 Placement Agent, the Arranger or any of their Affiliates has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Collateral Obligations from time to time.

3.2 **Nature of Collateral; defaults**

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

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

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

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

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

3.3 **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 Notes.

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 Notes that may have been prepared by the Placement Agent for or at the direction of Noteholders.

It is a requirement of the Rating of the Rated Notes that Collateral Obligations that are to be Restructured Obligations the subject of a restructuring satisfy certain of the Restructuring Obligation Criteria as a condition to the Issuer agreeing to participate in the restructuring, one of which is that the relevant Restructured Obligation has a Moody's Rating and a Fitch Rating. This requirement may result in the Issuer being unable to participate in or consent to a restructuring. This may result in the Issuer being obliged to dispose of the relevant Collateral Obligation in circumstances where the sale proceeds are potentially significantly less than par or the Issuer being obliged to block the restructuring resulting in an event of default occurring in respect of the relevant Collateral Obligation in circumstances where, had the restructuring occurred, the event of default might have been avoided.

3.4 **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 credit 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 Notes. 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. See paragraph 2.42 "*Actions of any Rating Agency can adversely affect the market value or liquidity of the Rated Notes*".

3.5 **The Warehouse Arrangements**

On behalf of the Issuer, the Collateral Manager has acquired, and will continue to enter into binding commitments to acquire, Collateral Obligations (each, a "**Warehoused Asset**", and collectively, "**Warehoused Assets**") during the period prior to the Issue Date (such period, the "**Warehouse Period**") pursuant to a financing arrangement (the "**Warehouse Arrangements**") between, among others, the Issuer, the Collateral Manager, one or more Affiliates of the Placement Agent (the "**Goldman Sachs Parties**") and one or more Affiliates of the Collateral Manager and third party financiers (such affiliates of the Collateral Manager and third party financiers, together, the "**Warehouse Investors**") with respect to such purchases. The Warehouse Arrangements will be terminated on the Issue Date, and all amounts owing to the Goldman Sachs Parties and the Warehouse Investors in connection with such arrangements will be repaid by the Issue Date from the proceeds of the issuance of the Notes.

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

Under the Warehouse Arrangements, the Goldman Sachs Parties indirectly provided and will provide prior to the Issue Date financing to the Issuer to allow its acquisition of the Warehoused Assets (provided that the Goldman Sachs Party approves the purchase of any such Warehoused Assets). The approval by any Goldman Sachs Parties of the purchase of any Warehoused Assets will be in its capacity as the financing party and should not be viewed as a determination by Goldman Sachs as to whether a particular asset is an appropriate investment by the Issuer or whether it will satisfy the portfolio criteria applicable to the Issuer. If the Goldman Sachs Parties do not approve the purchase of any Warehoused Assets, the Issuer may be restricted from purchasing that asset for a certain period, which may result in the Issuer paying a higher price.

The Warehouse Investors have, during the Warehouse Period, provided certain of the junior funding to the Issuer. On the Issue Date, such junior funding will be redeemed at par plus the interest accrued on the Warehoused Assets (net of a financing fee due to the Goldman Sachs Parties and any other expenses and fees due under the Warehouse Arrangements). Certain of the Warehouse Investors may, but are not required to, purchase any Subordinated Notes on the Issue Date. If the Issue Date occurs, any gains resulting from changes in the market value of the Warehoused Assets as compared to the purchase price of the Warehoused Assets not used to off-set realised losses under the Warehouse Arrangements, will be for the account of the Issuer. If the Issue Date does not occur, the Warehouse Investors and the applicable Goldman Sachs Parties will bear the risk of loss in value of the Warehoused Assets. The interests of the Goldman Sachs Parties and the Warehouse Investors in respect of the Warehoused Assets will not necessarily align with, and may be directly contrary to, those of the investors in the Notes.

3.6 **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 €400,000,000 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 Notes 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 which settle on or prior to the Issue Date) 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 shall 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 Notes.

3.7 **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). See "*The Portfolio*". The ability to satisfy such tests and requirement will depend on a number of factors beyond the control of the Issuer and the Collateral Manager, including the availability of obligations that satisfy the Eligibility Criteria and other Portfolio related requirements in the primary and secondary loan markets, the condition of the financial markets, general economic conditions and international political events. Therefore, there can be no assurance that such tests and requirements will be met. To the extent such additional Collateral Obligations are not purchased, the level of income receivable by the Issuer on the Collateral and therefore its ability to meet its interest payment obligations under the Notes, together with the weighted average lives of the Notes, may be adversely affected. Any failure by the Collateral Manager (on behalf of the Issuer) to acquire such additional Collateral Obligations could result in the non-confirmation or downgrade or withdrawal by any Rating Agency of its Initial Rating of any Class of Rated Notes. Such non confirmation, downgrade or withdrawal may result in the redemption of the Notes and therefore reduce the leverage ratio of the Subordinated Notes to the other Classes of Notes which could adversely affect the level of returns to the holders of the Subordinated Notes. Any such redemption of the Notes may also adversely affect the risk profile of Classes of Notes in addition to the Subordinated Notes to the extent that the amount of excess spread capable of being generated in the transaction reduces as the result of redemption of the most senior ranking Classes of Notes in accordance with the Note Payment Sequence which bear a lower rate of interest than the remaining Classes of Notes.

3.8 **Noteholders will receive limited disclosure about the Collateral Obligations**

Neither the Issuer or the Collateral Manager will provide the Noteholders 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 and Administration 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 and Administration 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 Noteholders 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 and Administration 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.

3.9 **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.

3.10 **Restriction on the discretion of the Collateral Manager in order to comply with the Retention Requirements**

The Issuer may not issue further Notes in accordance with Conditions 17 (*Additional Issuances*) unless after giving effect to the additional issuance and after the receipt by the Issuer of the proceeds thereof into the Unused Proceeds Account or the Principal Account (as applicable), the Retention Requirements are satisfied.

As a result, the Aggregate Principal Balance securing the Notes may be less than what would have otherwise have been the case if the ability to make such sales and investments and agree to such additional issuances had not been restricted by such retention requirements.

3.11 **Acquisition and Disposition of Collateral Obligations**

The Issuer or the Collateral Manager on its behalf anticipates that, by the Issue Date, it will have purchased or committed to purchase Collateral Obligations, the Aggregate Principal Balance of which equals approximately €280,000,000 (representing approximately 70 per cent. of the Target Par Amount). The remaining proceeds (following the payment of certain costs and expenses and deposits into the Expense Reserve Account and the Interest Reserve Account) shall be used to purchase (or enter into agreements to purchase) additional Collateral Obligations during the Initial Investment Period (as defined in the Conditions of the Notes). The Collateral Manager's decisions concerning purchases of Collateral Obligations will be influenced by a number of factors, including market conditions and the availability of securities and loans satisfying the Eligibility Criteria, Reinvestment Criteria and the other requirements of the Collateral Management and Administration Agreement. The failure or

inability of the Collateral Manager to acquire Collateral Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Obligations in a timely manner will adversely affect the returns on the Notes, in particular with respect to the most junior Class or Classes.

Under the Collateral Management and Administration Agreement and as described herein, the Collateral Manager may only, on behalf of the Issuer, dispose of a limited percentage of Collateral Obligations in any successive rolling twelve month period, as well as any Collateral Obligation that meets the definition of a Defaulted Obligation, an Exchanged Security and, subject to the satisfaction of certain conditions, a Credit Risk Obligation or Credit Improved Obligation. Notwithstanding such restrictions and subject to the satisfaction of the conditions set out in the Collateral Management and Administration 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 Subordinated Notes and then by holders of the Rated Notes, beginning with the most junior Class.

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

3.12 **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 Notes. In some circumstances the cash balances invested in short-term investments may accrue negative interest so that the Issuer is obliged to make payments to the institution with which such short-term investments are made. In general, the larger the amount and the longer the time period during which cash balances remain uninvested the greater the adverse impact on Portfolio income which will reduce amounts available for payment on the Notes, especially the Subordinated Notes. The extent to which cash balances remain uninvested will be subject to a variety of factors, including future market conditions and is difficult to predict.

During the Reinvestment Period, subject to compliance with certain criteria and limitations described herein, the Collateral Manager will have discretion to dispose of certain Collateral Obligations 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 Aggregate Principal Balance. Any decrease in the yield on the Aggregate Principal Balance will have the effect of reducing the amounts available to make distributions on the Notes which will adversely affect cash flows available to make payments on the Notes, especially the most junior Class or Classes of Notes. There can be no assurance that 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 Notes remaining after the payment of certain fees and expenses due and payable by the Issuer on the Issue Date and reinvestment of Sale Proceeds, Scheduled Principal Proceeds and Unscheduled Principal Proceeds, can affect the return to the Noteholders of, and cash flows available to make payments on, the Notes, especially the most junior Class or Classes of Notes. Loans and privately placed high yield securities are not as easily (or as quickly) purchased or sold as publicly traded securities for a variety of reasons, including confidentiality requirements with respect to Obligor information, the customised nature of loan

agreements and private syndication. The reduced liquidity and lower volume of trading in loans, in addition to restrictions on investment represented by the Reinvestment Criteria, could result in periods of time during which the Issuer is not able to fully invest its cash in Collateral Obligations. The longer the period between reinvestment of cash in Collateral Obligations, the greater the adverse impact may be on the aggregate amount of the Interest Proceeds collected and distributed by the Issuer, including on the Notes, especially the most junior Class or Classes of Notes, thereby resulting in lower yields than could have been obtained if Principal Proceeds were immediately reinvested. In addition, loans are often prepayable by the borrowers thereof with no, or limited, penalty or premium. As a result, loans generally prepay more frequently than other corporate debt obligations of the issuers thereof. 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 Subordinated Notes 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 Subordinated Notes on the first Payment Date.

3.13 **Early Redemption and Prepayment Risk**

(a) 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 or Reinvestment Criteria (as applicable) specified herein may adversely affect the timing and amount of payments received by the Noteholders and the yield to maturity of the Rated Notes and the distributions on the Subordinated Notes. 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 Reinvestment Criteria (as applicable) 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 Notes may not be a suitable investment for any investor that requires a regular or predictable schedule of principal payments.

(b) Early Redemption Risk

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.

Repayments on bonds may be caused by a variety of factors which are difficult to predict. Accordingly, there exists a risk that bonds purchased at a price greater than par may experience a capital loss as a result of such repayment. In addition, Principal Proceeds received upon such a repayment 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 holders of the Notes and the yield to maturity of the Notes. There can be no assurance that the Issuer will be able to reinvest proceeds in Collateral Obligations with comparable interest rates that satisfy the Reinvestment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

3.14 **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 Noteholders and the yield to maturity of the Rated Notes and the distributions on the Subordinated Notes. 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.

3.15 **Characteristics and risks relating to the Portfolio**

(a) Characteristics of Senior Obligations, High Yield Bonds and Mezzanine Obligations

The Portfolio Profile Tests provide that on each Measurement Date (save as otherwise provided herein) the Collateral Principal Amount must consist of either "at least" or "not more than" certain specified percentages of particular categories of Collateral Obligations including Secured Senior Loans, Secured Senior Notes, Second Lien Loans, Mezzanine Obligations, Unsecured Senior Obligations and High Yield Bonds.

Although any particular Secured Senior Loan, Secured Senior Notes, Mezzanine Obligation, High Yield Bond, Unsecured Senior Obligation or Cov-Lite Loan may share many similar features with other loans and obligations of its type, the actual term of any Secured Senior Loan, Secured Senior Notes, Mezzanine Obligation, High Yield Bond, Unsecured Senior Obligation or Cov-Lite Loan 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.

Secured Senior Loans, Secured Senior Notes, Mezzanine Obligations, High Yield Bonds, Unsecured Senior Obligations and Cov-Lite 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, Secured Senior Notes and Unsecured Senior Obligations are typically at the most senior level of the capital structure with 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 loans or obligations of such type repayable shortly (perhaps six months or one year) after the senior loans or obligations 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 loans of the Obligor, mezzanine lenders may be granted share options, warrants or higher cash paying instruments or payment in kind in the Obligor which can be exercised in certain circumstances, principally being immediately prior to the Obligor's shares being sold or floated in an initial public offering.

Cov-Lite Loans typically do not have Maintenance Covenants. Ownership of Cov-Lite Loans may expose the Issuer to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have Maintenance Covenants.

(b) Security

Secured Senior Loans and Secured Senior Notes 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. Mezzanine Obligations may have the benefit of a second priority charge over such Collateral Obligations. Unsecured Senior Obligations do not have the benefit of such security. High Yield Bonds are also generally unsecured.

Secured Senior Loans and Secured Senior Notes 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.

(c) Collective Action Clauses

Secured Senior Notes, Unsecured Senior Obligations (other than those in the form of loans) 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 Note, Unsecured Senior Obligations (other than in the form of loans) 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 and Administration Agreement from voting on certain matters, particularly extensions of maturity, which may be considered at a bondholder meeting. Consequently, material terms of a Secured Senior Note, Unsecured Senior Obligation (other than in the form of loans) or High Yield Bond may be varied without the consent of the Issuer.

(d) Rate of Interest

Many Secured Senior Notes and Unsecured Senior Obligations bear interest at a fixed rate. Risks associated with fixed rate obligations are discussed at paragraph 3.22 (*Relating to the Collateral Obligations - Interest rate risk*) below. The majority of Secured Senior Loans and Mezzanine Obligations bear interest based on a floating rate index, for example EURIBOR, a certificate of deposit rate, a prime or base rate (each as defined in the applicable loan agreement) or other index, which may reset daily (as most prime or base rate indices do) or offer the borrower a choice of one, two, three, six, nine or twelve month interest and rate reset periods.

(e) Loan Fees

The purchaser of an interest in a Secured Senior Loan, Mezzanine Obligation in the form of a loan or Unsecured Senior Obligation in the form of a loan may receive certain syndication or participation fees in connection with its purchase. Other fees payable in respect of a Secured Senior Loan, Mezzanine Obligation in the form of a loan or Unsecured Senior Obligation in

the form of a loan, which are separate from interest payments on such loan, may include facility, commitment, amendment and prepayment fees.

(f) Restrictive Covenants

Secured Senior Loans, Secured Senior Notes, High Yield Bonds, Mezzanine Obligations and Unsecured Senior Obligations also generally provide for restrictive covenants designed to limit the activities of the Obligors thereunder in an effort to protect the rights of lenders 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 or Unsecured Senior Obligation 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. A breach of covenant (after giving effect to any cure period) under a Secured Senior Note or a High Yield 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.

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

In order to induce banks and institutional investors to invest in Secured Senior Loans, Mezzanine Obligations in the form of loans or Unsecured Senior Obligations in the form of 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 Obligation, and the private syndication of the loan, Secured Senior Loans, Mezzanine Obligations in the form of loans and Unsecured Senior Obligations in the form of 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 and Unsecured Senior 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 Obligations is also generally less liquid than that for Secured Senior Loans, resulting in increased disposal risk for such obligations.

(h) Limited liquidity, prepayment and default risk of Secured Senior Notes and High Yield Bonds

Secured Senior Notes 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.

(i) Increased risks for Mezzanine Obligations

The fact that Mezzanine Obligations are generally subordinated to any senior loan or other senior debt 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.

(j) 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 Notes, Mezzanine Obligations, Unsecured Senior Obligations 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 Notes, Mezzanine Obligations, Unsecured Senior Obligations and High Yield Bonds purchased by the Issuer. As referred to above, although any particular Secured Senior Loan, Secured Senior Note, Mezzanine Obligation, Unsecured Senior Obligation and 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 Note, Mezzanine Obligation, Unsecured Senior Obligation and High Yield Bond 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 Notes, Mezzanine Obligations, Unsecured Senior Obligations 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 Notes, Mezzanine Obligations, Unsecured Senior Obligations and High Yield Bonds are more diverse than ever before, including not only banks and specialist finance providers but also alternative investment managers, specialist debt and distressed debt investors and other financial institutions. The increasing diversification of the investor base has also been accompanied by an increase in the use of hedges, swaps and other derivative instruments to protect against or spread the economic risk of defaults. All of these developments may further increase the risk that historic recovery levels will not be realised. The returns on Secured Senior Loans, Secured Senior Notes, Mezzanine Obligations, Unsecured Senior Obligations 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 borrower continues to service more senior tranches of debt on improved terms for the senior lenders. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in uncertainty with respect to the ultimate recovery on such Defaulted Obligation. Forum shopping for a favourable legal regime for a restructuring is not uncommon, English law schemes of arrangement having become a popular tool for European incorporated companies, even for borrowers with little connection to the UK. The liquidity for Defaulted Obligations may be limited, and to the extent that Defaulted Obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid

principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any Defaulted Obligation will be at least equal either to the minimum recovery rate assumed by the Rating Agencies in rating the Notes or any recovery rate used in the analysis of the Notes by investors in determining whether to purchase the Notes.

In some European jurisdictions, obligors or lenders may seek a "scheme of arrangement". In such instance, a lender may be forced by a court to accept restructuring terms. Recoveries on Secured Senior Loans, Secured Senior Notes, Mezzanine Obligations, Unsecured Senior Obligations 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.

(k) Characteristics and risks associated with investing in High Yield Bonds involves certain risks

High Yield Bonds are generally unsecured, may be subordinated to other obligations of the applicable Obligor and generally have greater credit, insolvency and liquidity risk than is typically 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 issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. The lower rating of High Yield Bonds reflects a greater possibility that adverse changes in the financial condition of the Obligor or general economic conditions (including, for example, a substantial period of rising interest rates 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. 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 Notes 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.

(l) Characteristics and risks associated with investing in Unsecured Senior Obligations involves certain risks

Unsecured Senior Obligations of an 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 Obligations will generally have lower rates of recovery than secured obligations following a default. Also, if the insolvency of an Obligor of any Unsecured Senior Obligations occurs, the holders of such Unsecured Senior Obligations will be considered general, unsecured creditors of the Obligor and will have fewer rights than secured creditors of the Obligor.

(m) Corporate Rescue Loans

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

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

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

(n) Bridge Loans

The Portfolio Profile Tests provide that not more than 5.0 per cent. of the Collateral Principal Amount may be comprised of Bridge Loans. Bridge Loans are generally a temporary financing instrument and as such the interest rate may increase after a short period of time in order to encourage an Obligor to refinance the Bridge Loan with more long term financing. If an Obligor is unable to refinance a Bridge Loan, the interest rate may be subject to an increase and as such Bridge Loans may have greater credit and liquidity risk than other types of loans.

3.16 **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 loan agreement. The Issuer, as an assignee, will generally have the right to receive directly from the

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

Participations by the Issuer in a Selling Institution's portion of a loan typically result in a contractual relationship only with such Selling Institution and not with the borrower under such loan. The Issuer would, in such case, only be entitled to receive payments of principal and interest to the extent that the Selling Institution has received such payments from the borrower (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 borrower with the terms of the applicable loan agreement and the Issuer may not directly benefit from the collateral supporting the loan in respect of which it has purchased a Participation. As a result, the Issuer will assume the credit risk of both the borrower and the Selling Institution selling the Participation. 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 borrower and the Issuer may suffer a loss to the extent that the borrower sets off claims against the Selling Institution. The Issuer may purchase a Participation from a Selling Institution that does not itself retain any economic interest in the loan, and therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. When the Issuer holds a Participation in a loan it generally will not have the right to participate directly in any vote to waive enforcement of any covenants breached by a borrower. A Selling Institution voting in connection with a potential waiver of a restrictive covenant may have interests which are different from those of the Issuer and such Selling Institutions may not be required to consider the interest of the Issuer in connection with the exercise of its votes.

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

3.17 **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 and proceeds from additional issuance of Subordinated Notes. Such Balance shall be comprised of all sums deposited therein from time to time which will comprise amounts which the Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payments rather than being paid to the Subordinated Noteholders. The aggregate amount which may be credited to the Supplemental Reserve Account in accordance with the Priorities of Payments are subject to the following caps: (i) €2,500,000 in aggregate on any particular Payment Date and (ii) the cumulative maximum aggregate total in respect of all Payment Dates may not exceed €15,000,000.

All proceeds received in respect of any Collateral Enhancement Obligations will be paid into the Supplemental Reserve Account and at the Collateral Manager's discretion may be used to purchase

additional Collateral Enhancement Obligations or to make payments of principal in respect of the Subordinated Notes, during the Reinvestment Period to reinvest in Substitute Collateral Obligations or otherwise for distribution in accordance with the relevant Priorities of Payment.

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 Subordinated Noteholders (and, potentially, Noteholders of other Classes).

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

3.18 **Certain risks relating to Hedge Agreements**

The payments associated with any Hedge Agreements generally rank senior to payments on the Notes. The Placement Agent and/or one or more of its Affiliates with acceptable credit support arrangements may act as counterparty with respect to all or some of the Hedge Agreements, which may create certain conflicts of interest. Moreover, if the insolvency of a Hedge Counterparty occurs, the Issuer will be treated as a general creditor of such Hedge Counterparty. Consequently, the Issuer will be subject to the credit risk of each Hedge Counterparty, as well as that of the related Collateral Obligations.

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 an 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 Noteholders. 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 Subordinated Notes.

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 Noteholders as required under the Priorities of Payments. Recent decisions in U.S. bankruptcy proceedings have held that subordination provisions similar to those set out in the Priorities of Payments 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 Noteholders would be reduced and may be materially reduced. See also paragraph 3.20 "*Flip clauses*" below, in particular in relation to the bankruptcy position under English law.

3.19 **Concentration risk**

The Issuer will invest in a Portfolio of Collateral Obligations consisting, of Secured Senior Obligations, Secured Senior Notes, Corporate Rescue Loans, Unsecured Senior Obligations, Mezzanine Obligations, Second Lien Loans, First Lien Last Out Loans and High Yield Bonds. Although no significant concentration with respect to any particular Obligor, industry or country is expected to exist at the Effective Date, the concentration of the Portfolio in any one Obligor would subject the Notes to a greater degree of risk with respect to defaults by such Obligor, and the concentration of the Portfolio in any one industry would subject the Notes to a greater degree of risk with respect to economic downturns relating to such industry. The Portfolio Profile Tests and Collateral Quality Tests attempt to mitigate any concentration risk in the Portfolio. See "*The Portfolio – Portfolio Profile Tests and Collateral Quality Tests*".

3.20 **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. 20 May, 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 judgment 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. 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 Payments would certainly be enforceable as a matter of English law, in the case of insolvency of a Hedge Counterparty.

Moreover, if the Priorities of Payments are the subject of litigation in any jurisdiction outside England and Wales, in particular in the United States, 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 Payments and as a result, the Issuer's ability to repay the Noteholders in full may be adversely affected. There is a particular risk of such conflicting judgments where a Hedge Counterparty is the subject of bankruptcy or insolvency proceedings outside England and Wales.

3.21 **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.

The Issuer will also be exposed to the credit risk of the Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all Collateral of the Issuer held by the Custodian. In the event that the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the Issuer shall use its reasonable endeavours to procure the appointment of a replacement Account Bank or Custodian, as the case may be, with the applicable Rating Requirement on substantially the same terms as the Agency and Account Bank Agreement within 30 calendar days of such withdrawal or downgrade.

3.22 **Interest rate risk**

It is possible that Collateral Obligations (in particular Secured Senior Notes 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 Notes must bear interest on a particular basis, save for the Portfolio Profile Tests which requires that not more than 15.0 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 in Substitute Collateral Obligations will generally be used to repay principal on the Notes, subject to the Priorities of Payments. As a result of these factors, it is expected that there will be a fixed/floating rate mismatch and/or a floating rate basis mismatch between the Notes and the underlying Collateral Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Obligations and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of EURIBOR could adversely affect the ability to make payments on the Notes. Depending on whether payments of principal on Fixed Rate Collateral Obligations or Floating Rate Collateral Obligations are invested in Substitute Collateral Obligations or used to repay principal on the Notes, subject to the Priorities of Payments, such fixed/floating rate mismatch and/or floating rate basis mismatch described above may be improved or may be made worse. In addition, pursuant to the Collateral Management and Administration 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 certain regulatory considerations in relation to swaps. 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.

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

The rate of EURIBOR for the purposes of calculating the Floating Rate of Interest applicable to the Floating Rate Notes is subject to a minimum of zero per cent. per annum.

There can be no assurance that the Collateral Obligations and Eligible Investments securing the Notes will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Notes or that any particular levels of return will be generated on the Subordinated Notes.

3.23 **Currency risk and Currency Hedge Transactions**

Although the Issuer intends to hedge against certain currency exposures pursuant to the Currency Hedge Transactions, fluctuations in the Euro exchange rate for currencies in which Non-Euro Obligations are denominated may lead to the proceeds of the Collateral Obligations being insufficient to pay all amounts due to the respective Classes of Noteholders or may result in a decrease in value of the Collateral for the purposes of sale hereof upon enforcement of the security over it.

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

Defaults, prepayments, trading and other events increase the risk of a mismatch between the Non-Euro Obligations and the Notes. This may cause losses. The Collateral Manager may be limited at the time of reinvestment in its choice of Collateral Obligations because of the cost of the foreign exchange hedging and due to restrictions in the Collateral Management and Administration Agreement with respect to exercising such hedging. In addition, it may not be economically advantageous or feasible for the Issuer to exercise its hedging arrangements and such hedging arrangements may not be sufficient to protect the Issuer from fluctuations in Euro exchange rates.

The Issuer will depend upon the Currency Hedge Counterparty to perform their obligations under any hedges. If the Currency 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 the Currency Hedge Counterparty to cover its foreign exchange exposure.

The Principal Balance of any Non-Euro Obligation shall be to the extent the related Currency Hedge Transaction terminates, the Spot Rate in respect of such Non-Euro Obligation multiplied by the outstanding principal amount of such Non-Euro Obligation.

3.24 **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 Notes.

3.25 **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.

3.26 **Regulatory risk**

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 Notes.

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.

4. **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 Placement Agent, the Arranger 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.

4.1 **Collateral Manager**

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

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

The Collateral Manager, its Affiliates and their respective clients may invest in obligations that would be appropriate as Collateral Obligations. Such investments may be different from those made on behalf of the Issuer. The Collateral Manager and/or its Affiliates may also have ongoing relationships with, render services to or engage in transactions with, other clients, including other issuers of collateralised loan obligations and collateralised debt obligations, who invest in assets of a similar nature to those of the Issuer, and with companies whose securities or loans are acquired by the Issuer as Collateral Obligations and may own equity or debt securities issued by Obligors of Collateral Obligations.

As a result, officers or Affiliates of the Collateral Manager may possess information relating to Obligors of Collateral Obligations that is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral Obligations and performing the other obligations under the Collateral Management and Administration Agreement. The Collateral Manager will be required to act under the Collateral Management and Administration Agreement with respect to any information within its possession only if such information was known or should reasonably have been known to those employees of the Collateral Manager responsible for performing the obligations of the Collateral Manager thereunder and only if such information is not deemed by the Collateral Manager to be confidential or non-public or subject to other limitations on its use. The Collateral Manager is not otherwise obligated to share such information. Furthermore the Collateral Manager and its Affiliates may, in the conduct of their respective businesses, receive or become aware of price sensitive information which is not generally available to the public that may restrict the Collateral Manager from purchasing or selling securities for itself or its clients (including the Issuer) or otherwise using such

information for the benefit of its clients or itself. The Collateral Management and Administration Agreement contains provisions which provide that the Collateral Manager may refrain from purchases or sales thereunder of Collateral Obligations in acting in relation to the administration of the Portfolio in circumstances where it or any of its Affiliates are in receipt of price sensitive information and where in the opinion of the Collateral Manager investment by the Collateral Manager on behalf of the Issuer might breach the provisions of insider dealing legislation or laws to which it or the Issuer are subject.

The Collateral Manager serves, and expects in the future to serve, as collateral manager or advisor or sub-advisor for other collateralised loan obligation vehicles and/or collateralised bond obligation vehicles (or the like) and other clients who invest in assets of a nature similar to those of the Issuer. The terms of these arrangements, including the fees attributable thereto, may differ significantly from those of the Issuer. In particular, certain investment vehicles and accounts managed by the Collateral Manager may provide for fees (including incentive fees) to the Collateral Manager that are higher than the Collateral Management Fees payable by the Issuer under the Collateral Management and Administration Agreement. In addition, Affiliates and clients of the Collateral Manager may invest in securities or loans that are senior to, or have interests different from or adverse to, the securities and loans that are acquired by the Issuer as Collateral Obligations. The Collateral Manager and/or its Affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for its respective account, the Issuer, any similar entity for which it serves as manager or advisor and for its clients or Affiliates. Subject to the requirements of the governing instruments pertaining to the Collateral Manager or its Affiliates, investment opportunities sourced by the Collateral Manager will generally be allocated to the Issuer in a manner that the Collateral Manager believes, in its reasonable business judgment, to be appropriate given factors that it believes to be relevant. Such factors may include the investment objectives, liquidity, diversification, lender covenants and other limitations of the Issuer and the Collateral Manager or other Affiliates or clients and the amount of funds each of them has available for such investment. If the Issuer and another account managed by the Collateral Manager should purchase or sell the same securities or loans at the same time, the Collateral Manager anticipates that such purchases or sales, respectively, will be aggregated and allocated. The Collateral Manager intends to use its reasonable efforts to allocate such investment among its accounts in an equitable manner and in accordance with applicable law.

In addition, an Affiliate of the Collateral Manager serves as investment adviser to two registered funds (the "**Registered Funds**") that, pursuant to the terms of the 17(d) Order, must be given an opportunity to co-invest in certain private placements which Massachusetts Mutual Life Insurance Company ("**MassMutual**") or its Affiliates intend to make. Because of the Issuer's relationship with the Collateral Manager, the Issuer may only co-invest with the Registered Funds pursuant to the terms of the 17(d) Order. See "*Investment Company Act Order*" below.

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 that may have investment policies similar to those followed by the Collateral Manager with respect to the Collateral Obligations and which may own securities of the same class, or of the same type, as the Collateral Obligations, Eligible Investments or Equity Securities or other securities of the Obligors of Collateral Obligations, Eligible Investments or Equity Securities. The Collateral Manager and its Affiliates 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 it effects on behalf of the Issuer. Neither the Collateral Manager nor any of its Affiliates is under any obligation to offer investment opportunities of which they become aware to the Issuer or to account to the Issuer for (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by them from any such transaction or to inform the Issuer of any investments before offering any investments to other funds or accounts that the Collateral Manager and/or its Affiliates manage or advise. The Collateral Manager and/or its Affiliates may make an investment on behalf of any account that they manage or advise without offering the investment opportunity to, or making any investment on behalf of, the Issuer. Furthermore, Affiliates of the Collateral Manager may make an investment on their own behalf without offering the investment opportunity to the Issuer, or the Collateral Manager on behalf of the Issuer. Affirmative obligations may exist or may arise in the future whereby Affiliates of the Collateral Manager are obligated to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Collateral Manager offering those investments to the Issuer. The Collateral Manager may make investments on behalf of the Issuer in securities, or other assets, that it has declined to invest in for its own account, the account of any of its Affiliates or the account of its other clients. The Collateral

Manager will endeavour to resolve conflicts arising therefrom in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law.

Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management and Administration Agreement and in accordance with reasonable commercial standards, the staff may have conflicts in allocating their time and services among the Issuer and the Collateral Manager's other accounts.

The Collateral Management and Administration Agreement places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Obligations on which the Notes are secured and the Collateral Manager is required to comply with these restrictions. Accordingly, during certain periods or in certain specified circumstances, the Collateral Manager may be unable to buy or sell obligations contained in the Portfolio or to take other actions which it might consider in the best interests of the Issuer and the Noteholders, as a result of the restrictions set out in the Collateral Management and Administration Agreement.

On the Issue Date, the Collateral Manager will purchase the Retention Notes and another Collateral Manager Related Party will purchase certain other Notes. The Collateral Manager and/or its Affiliates may from time to time hold other Notes of any Class. Any Notes held by or on behalf of the Collateral Manager or a Collateral Manager Related Party will have no voting rights with respect to any vote (or written direction or consent) in connection with any CM Replacement Resolution or CM Removal Resolution, other than in respect of the relevant Class of such Notes, where the replacement of the Collateral Manager follows its resignation as Collateral Manager pursuant to the Collateral Management and Administration Agreement. With respect to any vote (or written direction or consent) in connection with any CM Replacement Resolution or CM Removal Resolution by the then Controlling Class, only CM Voting Notes, subject to the aforementioned restriction on voting, will be entitled to vote. Any Notes held by the Collateral Manager or a Collateral Manager Related Party will have voting rights (including in respect of written directions and consents) with respect to all other matters as to which Noteholders are entitled to vote and, in exercising such vote, the Collateral Manager or such Collateral Manager Related Party may act in its sole interests, which may be adverse to the interests of other Noteholders.

The Issuer may invest in obligations of issuers in which the Collateral Manager and/or its Affiliates have a debt, equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Collateral Manager's, its Affiliates' and their clients' own investments in such companies. The Collateral Manager and/or its Affiliates may act as an underwriter, arranger or placement agent, or otherwise participate in the origination, structuring, negotiation, syndication or offering of Collateral Obligations purchased by the Issuer.

The Collateral Manager, on behalf of the Issuer, may also from time to time purchase obligations from itself or its Affiliates or Related Entities or sell obligations to itself its Affiliates or its Related Entities. It may not always be possible for the Collateral Manager to obtain the current market price for such obligations because market quotations for particular obligations may not be generally available. In such circumstances, the Collateral Manager is entitled to determine the price of such obligations in its discretion, provided that it does so in good faith.

The Issuer will deal with the Collateral Manager and Affiliates of the Collateral Manager on an arm's length basis and anticipates that the commissions, mark-ups and mark-downs charged by the Collateral Manager or its Affiliates or Related Entities will generally be competitive, although the Collateral Manager and its Affiliates or Related Entities may have interests in such transactions that are adverse to those of the Issuer, such as an interest in obtaining favourable commission rates, mark-ups and mark-downs. There is no limitation or restriction on the Collateral Manager or any of its Affiliates with regard to acting as collateral manager (or in a similar role) to other parties or persons. This and other future activities of the Collateral Manager and/or its Affiliates may give rise to additional conflicts of interest.

Investment Company Act Order

MassMutual, the indirect parent of the Collateral Manager, is a party to an order of the Securities and Exchange Commission granting exemptions from the limitations of Section 17(d) of the Investment

Company Act and Rule 17d-1 thereunder (the "**17(d) Order**") to the extent necessary to permit MassMutual, the Registered Funds and private investment funds for which MassMutual or certain of its Affiliates serve as investment adviser to co-invest in securities acquired in private placements ("**Private Placements**"). Under the terms of the 17(d) Order, MassMutual and its Affiliates, including the Collateral Manager, are required to offer to the Registered Funds an opportunity to co-invest in certain Private Placements that MassMutual or its Affiliates intend to make. Because of the Collateral Manager's relationship with the Issuer, Private Placements proposed to be purchased by the Issuer will be subject to this requirement. The Issuer may only co-invest with the Registered Funds in such Private Placements pursuant to the 17(d) Order.

The 17(d) Order provides that, among other things, if MassMutual or any Affiliate proposes to purchase a Private Placement that is consistent with the investment objectives and policies of one or more of the Registered Funds, such Registered Funds must be offered the opportunity to purchase an identical amount of such Private Placement on identical terms and conditions. For purposes of the 17(d) Order, the portion of an issue of a Private Placement to be acquired by the Issuer that is allocable to the direct or indirect ownership by MassMutual of equity interests in the Issuer would be aggregated with the portion of that issue to be held by MassMutual in its own portfolio. Accordingly, in the event that any Registered Fund elects to accept an opportunity to invest in a Private Placement, the Issuer may only be able to acquire a smaller portion of the proposed Private Placement and, in certain circumstances, may be unable to purchase other securities of the same obligor or its Affiliates. See above paragraph 4.1 (*Relating to certain conflicts of interest – Collateral Manager – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates*).

The 17(d) Order also provides that if any party to the 17(d) Order proposes to sell all or dispose of any portion of a Private Placement that is also owned by a Registered Fund, such Registered Fund must be offered the opportunity to dispose of a proportionate amount of such Private Placement securities on identical terms and conditions. A similar condition applies with respect to the exercise of warrants, conversion privileges and other rights in respect of Private Placements having equity features held by a Registered Fund. A Registered Fund has five business days from the date of notification within which to make an election to participate in such disposition or exercise.

The Issuer will be required to comply fully with the 17(d) Order and to take all steps necessary or desirable to permit the Collateral Manager and the other parties to the 17(d) Order to comply fully with the 17(d) Order, including causing any successor Collateral Manager to manage the Assets in a manner that will enable the Collateral Manager and other parties subject to the 17(d) Order to comply fully therewith.

4.2 **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.

4.3 **The Issuer will be subject to various conflicts of interest involving the Placement Agent and the Arranger**

Goldman Sachs International and its Affiliates (the "**Goldman Sachs Parties**") have acted as the structurer of the transaction and placement agent and other roles, as described below.

Under the Warehouse Arrangements, the Goldman Sachs Parties will provide, prior to the Issue Date financing, to the Issuer to allow its acquisition of Warehoused Assets (provided that the Goldman Sachs Parties approve the purchase of any such Warehoused Asset). The approval by Goldman Sachs Parties of the purchase of a Warehoused Asset will be in its capacity as the financing party and should not be viewed as a determination by Goldman Sachs as to whether a particular asset is an appropriate investment by the Issuer or whether it will satisfy the portfolio criteria applicable to the Issuer. See above paragraph 3.5 (*The Warehouse Arrangements*). If the Goldman Sachs Parties do not approve the purchase of a Warehoused Asset, the Issuer may be restricted from purchasing that asset for a certain period, which may result in the Issuer paying a higher price.

The Issuer, at the direction of the Collateral Manager, will purchase and enter into, binding commitments to purchase Warehoused Assets during the Warehouse Period at the prevailing prices at the time of the execution of such trades and in market circumstances applicable at that time. The Issuer has entered into the Warehouse Arrangements with the Goldman Sachs Parties with respect to such purchases under which Goldman Sachs Parties will provide financing to the Issuer to allow its acquisition of Warehoused Assets (provided that the Goldman Sachs Parties do not object to the purchase of any such Warehoused Asset). The objection (or approval) by Goldman Sachs Parties to the purchase of a Warehoused Asset will be in its capacity as the financing party and should not be viewed as a determination by Goldman Sachs as to whether a particular asset is an appropriate investment by the Issuer or whether it will satisfy the portfolio criteria applicable to the Issuer. See "*The Portfolio - Acquisition of Collateral Obligations*". If the Goldman Sachs Parties object to the purchase of a Warehoused Asset, the Issuer may be restricted from buying that asset for a certain period, which may result in the Issuer paying a higher price. The interests of the Goldman Sachs Parties in respect of transactions involving the Warehoused Assets do not necessarily align with, and may in fact be directly contrary to, those of investors in the Notes. In the event the Issue Date does not occur, the Goldman Sachs Parties will bear the risk of any loss with respect to any Warehoused Assets. Assuming the Issue Date does occur, any realised and unrealised losses (and gains) will be for the account of the Issuer.

None of the Goldman Sachs Parties will have any obligation to monitor the performance of Collateral Obligations or the actions of the Collateral Manager or the Issuer. None of the Goldman Sachs Parties will have any authority to advise the Collateral Manager or the Issuer or direct their actions, which, in respect of the Issuer will be solely the responsibility of the Collateral Manager.

The Issuer may invest in money market funds that are Eligible Investments managed by one or more of the Goldman Sachs Parties.

The Placement Agent may place the Notes issued by the Issuer on the Issue Date under individually negotiated transactions at varying prices. The Placement Agent may assist clients and counterparties in transactions related to the Notes (including assisting clients in future purchases and sales of the Notes and hedging transactions). The Placement Agent may (but is not obliged to) purchase some or all of the Notes on the Issue Date acting as agent of the Issuer for the sole purpose of assisting in the settlement of these transactions. The Placement Agent expects to earn fees and other revenues from these transactions.

The Goldman Sachs Parties, including the Placement Agent, may purchase a certain proportion of the Notes on or after the Issue Date which they may hold and/or subsequently trade. Any such purchase and holding and/or subsequent trade by any Goldman Sachs Parties will be for their own account as Noteholders. The holding or any sale of the Notes by these parties may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market. The activities and interests of the Goldman Sachs Parties its clients and respective officers, members and employees (collectively "**Goldman Sachs**") will not necessarily align with, and may in fact be directly contrary to, those of the interests in the Notes.

The Goldman Sachs Parties are part of a global banking, 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 Goldman Sachs Parties may have positions in and will likely have placed or underwritten certain of the Collateral Obligations (or other obligations of the obligors of Collateral Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Collateral Obligations. In addition, the Goldman Sachs 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 Goldman Sachs Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the holders of the Notes or any other party. Moreover, the Issuer may invest in loans of obligors affiliated with the Goldman Sachs Parties or in which one or more Goldman Sachs Parties hold an equity or participation interest. The purchase, holding or sale of such Collateral Obligations by the Issuer may increase the profitability of one or Goldman Sachs Party's own investments in such obligors.

From time to time the Issuer (or the Collateral Manager on its behalf) will purchase from or sell Collateral Obligations through or to the Goldman Sachs Parties and one or more Goldman Sachs Parties may act as the selling institution with respect to Participations and/or a counterparty under a Hedge Agreement. The Goldman Sachs Parties may act as placement agent and/or Placement Agent or collateral manager in other transactions involving issues of collateralised debt obligations or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the availability of collateral for the Issuer and/or on the price of the Notes.

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

The Goldman Sachs Parties activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. These activities may also include buying or selling credit protection in respect of the Notes, taking long and short positions on (and thereby make a profit from) the Collateral Obligations (including those purchased pursuant to the Warehouse Arrangements or while the Notes are outstanding), assisting purchasers of the Collateral Obligation to hedge their investments; facilitating transactions for other clients or counterparties that may have business objectives or investment strategies that are inconsistent with or contrary to those of investors in the Collateral Obligation, and/or hedging any exposure of a Goldman Sachs Parties to the Notes on the Issue Date or any time in the future. The securities and instruments in which any Goldman Sachs Parties takes positions, or expect to take positions may include the Notes, the Collateral Obligations, or similar securities or products. Market making is an activity where Goldman Sachs International buys and sells on behalf of customers, or for their own account, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. Any Goldman Sachs Party may also act as a Hedge Counterparty on Hedge Agreements. As a result, Noteholders should expect that one or more of the Goldman Sachs Parties will take positions that are inconsistent with, or adverse to, the investment objectives of investors in the Notes. In no circumstances will the Goldman Sachs Parties need to account to any Noteholder or any other person for any fee, profit or gain made from any such activities.

As a result of Goldman Sachs various financial market activities, including acting as a research provider, investment advisor, market maker or principal investor, Noteholders should expect that personnel in various businesses throughout Goldman Sachs will have and express research or investment views and make recommendations that are inconsistent with, or adverse to, the objectives of investors in the Notes.

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

provider, investment advisor, market maker or principal investor, holders should expect that personnel in various businesses throughout Goldman Sachs International will have and express research or investment views and make recommendations that are inconsistent with, or adverse to, the objectives of investors in the Notes.

Furthermore, Goldman Sachs expects that a completed offering will enhance its ability to assist clients and counterparties in transactions related to the Notes and in similar transactions (including assisting clients in additional purchases and sales of the Notes and hedging transactions). Goldman Sachs International expects to derive fees and other revenues from these transactions. In addition, participating in a successful offering and providing related services to clients may enhance Goldman Sachs International's relationships with various parties, facilitate additional business development, and enable it to obtain additional business and to generate additional revenue.

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

TERMS AND CONDITIONS

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 Subordinated Notes, substantially in the form in which they will be endorsed on such Notes if issued in definitive certificated form and which will be incorporated by reference into the Global Certificates of each Class representing the Notes, subject to the provisions of such Global Certificates, some of which will modify the effect of these terms and conditions. See *Form of the Notes - Amendments to Terms and Conditions*.

The issue of €206,700,000 Class A-1 Senior Secured Floating Rate Notes due 2029 (the "**Class A-1 Notes**"), €5,300,000 Class A-2 Senior Secured Fixed Rate Notes due 2029 (the "**Class A-2 Notes**") €26,400,000 Class A-3 Senior Secured Fixed/Floating Rate Notes due 2029 (the "**Class A-3 Notes**" and, together with the Class A-1 Notes and the Class A-2 Notes, the "**Class A Notes**") , the €32,600,000 Class B-1 Senior Secured Floating Rate Notes due 2029 (the "**Class B-1 Notes**"), the €10,600,000 Class B-2 Senior Secured Fixed Rate Notes due 2029 (the "**Class B-2 Notes**" and, together with the Class B-1 Notes, the "**Class B Notes**"), the €22,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class C Notes**"), the €21,600,000 Class D Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class D Notes**"), the €31,200,000 Class E Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class E Notes**"), the €12,400,000 Class F Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class F Notes**" and, 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**") and the €47,400,000 Subordinated Notes due 2029 (the "**Subordinated Notes**" and, together with the Rated Notes, the "**Notes**") of Babson Euro CLO 2015-1 B.V. (the "Issuer") was authorised by resolutions of the board of Directors of the Issuer passed on 28 August 2015. The Notes are constituted by a trust deed (together with any other security document entered into in respect of the Rated Notes the "**Trust Deed**") dated 8 September 2015 between (amongst others) the Issuer and U.S. Bank Trustees Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) in its capacity as trustee for itself and for the Noteholders and as security trustee for the Secured Parties.

These terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) an agency and account bank agreement dated 8 September 2015 (the "**Agency and Account Bank Agreement**") between, amongst others, the Issuer, U.S. Bank National Association as registrar (the "**Registrar**", which term shall include any successor or substitute registrars appointed pursuant to the terms of the Agency and Account Bank Agreement) and as transfer agent (the "**Transfer Agent**" which term shall include any successor or substitute transfer agent), Elavon Financial Services Limited, as principal paying agent, account bank, calculation agent, custodian, collateral administrator and information agent (respectively, "**Principal Paying Agent**", "**Account Bank**", "**Calculation Agent**", "**Custodian**", "**Collateral Administrator**" and "**Information Agent**", which terms shall include any successor or substitute principal paying agent, account bank, calculation agent or custodian, respectively, appointed pursuant to the terms of the Agency and Account Bank Agreement) and the Trustee; (b) a Collateral Management and Administration Agreement dated 8 September 2015 (the "**Collateral Management and Administration Agreement**") between Babson Capital Management (UK) Limited, as collateral manager in respect of the Portfolio (the "**Collateral Manager**", which term shall include any successor Collateral Manager appointed pursuant to the terms of the Collateral Management and Administration Agreement), the Issuer, the Trustee, the Collateral Administrator which term shall include any successor or substitute collateral administrator appointed pursuant to the terms of the Collateral Management and Administration Agreement and the Information Agent appointed pursuant thereto (which term shall include any successor or substitute information agent) and (c) a management agreement dated 8 September 2015 between, amongst others, the Issuer and the Directors (the "**Issuer Management Agreement**", which term shall include any subsequent management agreements entered into between the Issuer and any such successor or replacement Directors). Copies of the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and the Issuer 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 office of the Transfer Agent for the time being. The holders of each Class of Notes are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of each other Transaction Document.

1. Definitions

"**Accounts**" means the Principal Account, the Custody Account, the Interest Account, the Unused Proceeds Account, the Payment Account, the Expense Reserve Account, the Supplemental Reserve

Account, the Counterparty Downgrade Collateral Accounts, the Currency Account, the Hedge Termination Account, the Interest Smoothing Account, the Unfunded Revolver Reserve Account, the Interest Reserve Account and the Collection Account all of which are held and administered outside the Netherlands.

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

"**Accrual Period**" means, in respect of each Class of Notes, the period from and including the Issue Date (or in the case of a Class that is subject to Refinancing, the Payment Date upon which the Refinancing occurs) to, but excluding, the first Payment Date (or in the case of a Class that is subject to Refinancing, the first Payment Date following the Refinancing) and each successive period from and including each Payment Date to, but excluding, the following Payment Date.

"**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 and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) (including Eligible Investments therein which represent Principal Proceeds); plus

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

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

(f) the Excess CCC/Caa Adjustment Amount; provided that:

(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 (A) 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 (B) in the case of each Non-Euro Obligation which is not subject to a Currency Hedge Agreement, at the Spot Rate.

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority (in each case, including any unpaid applicable VAT required to be paid by the Issuer thereon) (and, to the extent that such amounts relate to costs and expenses, such VAT to be limited to irrecoverable VAT):

(a) on a *pro-rata* basis and *pari passu*, to (i) the Agents pursuant to the Agency and Account Bank Agreement including amounts by way of indemnity, (ii) the Collateral Administrator and the Information Agent pursuant to the Collateral Management and Administration

Agreement including amounts by way of indemnity and (iii) the Directors pursuant to the Issuer Management Agreement including amounts 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 the independent certified public accountants, auditors, agents and counsel of, or persons providing advice to or for the benefit of, the Issuer (other than amounts payable to the Agents pursuant to paragraph (a) above);

(iii) to the Directors of the Issuer in respect of directors' fees (if any) payable under the Issuer Management Agreement;

(iv) to the Collateral Manager pursuant to the Collateral Management and Administration Agreement (including, but not limited to, the indemnities provided for therein and all ordinary expenses, costs, fees, out-of-pocket expenses, brokerage fees incurred by the Collateral Manager), but excluding any Collateral Management Fees or any VAT payable thereon pursuant to the Collateral Management and Administration Agreement;

(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 Notes are listed from time to time;

(vii) on a *pro rata* basis to any other Person in respect of any other fees or expenses contemplated in the Conditions and in the Transaction Documents or any other documents delivered pursuant to or in connection with the issue and sale of the Notes which are not otherwise provided for in this definition or in the Priorities of Payments, including, without limitation, amounts payable to any listing agent and any fees and expenses incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for purposes of Noteholder tax jurisdictions;

(viii) to the Placement Agent and the Arranger pursuant to the Placement Agency Agreement in respect of any indemnity payable to it thereunder;

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

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

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

(xii) to the payment of any costs and expenses incurred by the Issuer in order to comply with any requirements under EMIR, the CRA Regulation, AIFMD, FATCA or any other law or regulation in any applicable jurisdiction which are applicable to it;

(xiii) to the payment of any auditing or other fees, costs and expenses incurred by any Person in relation to the Warehouse Arrangements;

(c) any Refinancing Costs not otherwise covered above; and

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

provided that:

(x) the Collateral Manager may direct the payment of any Rating Agency or accounting services fees set out in (b) above other than in the order required by paragraph (b) above if the Collateral Manager or Issuer has been advised by a Rating Agency that non-payment of its fees will immediately result in the withdrawal of any ratings on any Class of Rated Notes; and

(y) the Collateral Manager, in its reasonable judgement, may determine and direct a payment other than in the order required by paragraph (b) above (but in all cases subject to amounts payable under paragraph (a) above having been paid in priority and, if such payment would decrease an amount otherwise payable to the Placement Agent pursuant to paragraph (b)(viii) above, the prior consent of the Placement Agent) if such payment is required in order to ensure the delivery of certain accounting services and reports.

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

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

(b) any account, fund, client or portfolio established and controlled by such Person or an Affiliate thereof or for which such Person or an Affiliate thereof acts as the investment adviser or with respect to which such Person or an Affiliate thereof exercises discretionary control thereover; and

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

(i) of such Person;

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

(iii) of any Person described in paragraphs (a) or (b) above.

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

"**Agent**" means each of the Registrar, the Principal Paying Agent, the Transfer Agent, the 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 and Account Bank Agreement or, as the case may be, the Collateral Management and Administration Agreement and "**Agents**" shall be construed accordingly.

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

"**AIF**" means an alternative investment fund within the scope of the AIFMD.

"**AIFMD**" means the European Union Directive 2011/61/EU on Alternative Investment Fund Managers.

"**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, provided that any reference to the AIFMD Retention Requirements shall be deemed to include any successor or replacement provisions of Section 5 included in any European Union directive or regulation subsequent to the AIFMD or the European Union Commission Delegated Regulation (EU) No 231/2013.

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

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

"**Authorised Officer**" means with respect to the Issuer, any 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, certificates of deposits, government guaranteed funds and other investment funds;

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

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

provided that (i) to the extent that the Hedging Condition has been satisfied and a Currency Hedge Agreement is in place in respect thereof, 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 by the Collateral Administrator in consultation with the Collateral Manager on the date of determination 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 material obligation of the obligor thereunder which is senior or equal in right of payment to such Eligible Investment such Eligible Investment shall have a value equal to the lesser of its Moody's Collateral Value and its Fitch Collateral Value (determined as if such Eligible Investment were a Collateral Obligation).

"**Benefit Plan Investor**" means:

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

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

(c) any entity whose underlying assets include plan assets by reason of such an employee benefit plan or plan's investment in such entity, but only to the extent of the percentage of the equity interests in such entity that are held by Benefit Plan Investors.

"**Bridge Loan**" shall mean any Collateral Obligation that: (i) is incurred in connection with a merger, acquisition, consolidation, sale of all or substantially all of the assets of a person, restructuring or similar transaction; (ii) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings; and (iii) prior to its purchase by the Issuer, has a Moody's Rating and a Fitch Rating.

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

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

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

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

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

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

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

in each case as determined as at such date of determination, provided that:

(i) in determining which of the Moody's Caa Obligations shall be included under part (a) above, the Moody's Caa 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 of the aggregate Principal Balance of all Moody's Caa Obligations; and

(ii) in determining which of the Fitch CCC Obligations shall be included under part (b) above, the Fitch CCC 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 of the aggregate Principal Balance of all Fitch CCC Obligations.

"**Class A-1 CM Non-Voting Exchangeable Notes**" means the Class A-1 Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class A-1 CM Voting Notes have a right to vote and be so counted; and (b) are exchangeable at any time into (i) Class A-1 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (ii) Class A-1 CM Non-Voting Notes, and **provided further that**, in each case, such exchange is in accordance with the restrictions set out in the Trust Deed at any time.

"**Class A-1 CM Non-Voting Notes**" means the Class A-1 Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class A-1 CM Voting Notes have a right to vote and be so counted; and (b) are not exchangeable into Class A-1 CM Voting Notes or Class A-1 CM Non-Voting Exchangeable Notes at any time.

"**Class A-1 CM Voting Notes**" means the Class A-1 Notes which (a) carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions and all other matters as to which Noteholders are entitled to vote; and (b) are exchangeable into Class A-1 CM Non-Voting Notes or Class A-1 CM Non-

Voting Exchangeable Notes, in each case, in accordance with the restrictions set out in the Trust Deed at any time.

"**Class A-2 CM Non-Voting Exchangeable Notes**" means the Class A-2 Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class A-2 CM Voting Notes have a right to vote and be so counted; and (b) are exchangeable at any time into (i) Class A-2 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (ii) Class A-2 CM Non-Voting Notes, and **provided further that**, in each case, such exchange is in accordance with the restrictions set out in the Trust Deed at any time.

"**Class A-2 CM Non-Voting Notes**" means the Class A-2 Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class A-2 CM Voting Notes have a right to vote and be so counted; and (b) are not exchangeable into Class A-2 CM Voting Notes or Class A-2 CM Non-Voting Exchangeable Notes at any time.

"**Class A-2 CM Voting Notes**" means the Class A-2 Notes which (a) carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions and all other matters as to which Noteholders are entitled to vote; and (b) are exchangeable into Class A-2 CM Non-Voting Notes or Class A-2 CM Non-Voting Exchangeable Notes, in each case, in accordance with the restrictions set out in the Trust Deed at any time.

"**Class A-3 CM Non-Voting Exchangeable Notes**" means the Class A-3 Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class A-3 CM Voting Notes have a right to vote and be so counted; and (b) are exchangeable at any time into (i) Class A-3 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (ii) Class A-3 CM Non-Voting Notes, and **provided further that**, in each case, such exchange is in accordance with the restrictions set out in the Trust Deed at any time.

"**Class A-3 CM Non-Voting Notes**" means the Class A-3 Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class A-3 CM Voting Notes have a right to vote and be so counted; and (b) are not exchangeable into Class A-3 CM Voting Notes or Class A-3 CM Non-Voting Exchangeable Notes at any time.

"**Class A-3 CM Voting Notes**" means the Class A-3 Notes which (a) carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions and all other matters as to which Noteholders are entitled to vote; and (b) are exchangeable into Class A-3 CM Non-Voting Notes or Class A-3 CM Non-Voting Exchangeable Notes, in each case, in accordance with the restrictions set out in the Trust Deed at any time.

"**Class A-3 Excess Fixed Coupon Payment**" means, in connection with any redemption or prepayment of Class A-3 Notes during the Class A-3 Fixed Rate Period in whole or in part in accordance with these Conditions (for the avoidance of doubt including, without limitation, any mandatory redemption in part in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests or Interest Diversion Test*) and any prepayment upon acceleration of the Class A-3 Notes in accordance with Condition 10(b) (*Acceleration*)), for each Payment Date during the Class A-3 Fixed Rate Period commencing on the Payment Date immediately following the applicable date of redemption or prepayment (and assuming that a Frequency Switch Event has not occurred on or before such date and will not occur for the remainder of the Class A-3 Fixed Rate Period), the greater of (i) zero; and (ii) the difference between (x) the Interest Amount in respect of the Class A-3 Notes that would have been payable on such Payment Date on an amount of principal equal to the aggregate

principal amount of Class A-3 Notes to be redeemed or prepaid in connection with such redemption or prepayment of the Class A-3 Notes in whole or in part on the applicable date of redemption or prepayment (the "**Redemption Amount**") and (y) the Class A-3 Make-Whole Swap Rate multiplied by the Redemption Amount.

"**Class A-3 Fixed Rate Period**" means the period commencing on (and including) the Issue Date and ending on (and excluding) 26 October 2020.

"**Class A-3 Make-Whole Amount**" means, in relation to any redemption or prepayment in whole or in part of the Class A-3 Notes pursuant to these Conditions during the Class A-3 Fixed Rate Period (for the avoidance of doubt including, without limitation, any mandatory redemption in part in accordance with Condition 7(c) (*Mandatory Redemption Upon Breach of Coverage Tests or Interest Diversion Test*) and any prepayment upon acceleration of the Class A-3 Notes in accordance with Condition 10(c) (*Acceleration*)), an amount equal to the sum of the present values of each Class A-3 Excess Fixed Coupon Payment calculated in accordance with acceptable financial practice, as determined by the Collateral Administrator in its sole discretion (in consultation with the Collateral Manager), and applying a discount rate equal to the applicable Class A-3 Make-Whole Yield; any such Class A-3 Make-Whole Amount being payable on the relevant date of redemption or prepayment, in each case subject to and in accordance with the applicable Priorities of Payment. For the avoidance of doubt, no Class A-3 Make-Whole Amount shall be capitalised and no interest shall accrue, or be payable, in respect of any outstanding Class A-3 Make-Whole Amount at any time.

"**Class A-3 Make-Whole Swap Rate**" means, in relation to the determination of a Class A-3 Make-Whole Amount in connection with any redemption or prepayment of the Class A-3 Notes in whole or in part during the Class A-3 Fixed Rate Period, the rate quoted on the Business Day preceding the applicable date of redemption or prepayment by a Reference Bank selected by the Issuer in its sole discretion (or the Collateral Manager on its behalf in its sole discretion) for the fixed leg of a 3 month fixed-floating interest rate swap transaction on market terms and conditions, denominated in Euro, commencing on such date with quarterly payment dates occurring on each Payment Date during the Class A-3 Fixed Rate Period and maturing on the final Payment Date during such period (assuming, for the purposes of determining such Payment Dates, that no Frequency Switch Event will occur during the Class A-3 Fixed Rate Period) as notified to the Collateral Administrator on the date of determination.

"**Class A-3 Make-Whole Yield**" means the Class A-3 Make-Whole Swap Rate, subject to a floor of zero.

"**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 on the following Payment Date. 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 Noteholders**" means the holders of any Class A-1 Notes, any Class A-2 Notes and any Class A-3 Notes from time to time.

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

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

"**Class A-3 Noteholders**" means the holders of any Class A-3 Notes from time to time.

"**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 132.0 per cent.

"**Class B-1 CM Non-Voting Exchangeable Notes**" means the Class B-1 Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class B-1 CM Voting Notes have a right to vote and be so counted; and (b) are exchangeable at any time into (i) Class B-1 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (ii) Class B-1 CM Non-Voting Notes, and **provided further that**, in each case, such exchange is in accordance with the restrictions set out in the Trust Deed at any time.

"**Class B-1 CM Non-Voting Notes**" means the Class B-1 Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class B-1 CM Voting Notes have a right to vote and be so counted; and (b) are not exchangeable into Class B-1 CM Voting Notes or Class B-1 CM Non-Voting Exchangeable Notes at any time.

"**Class B-1 CM Voting Notes**" means the Class B-1 Notes which (a) carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions, if such Class B-1 CM Voting Notes are the Controlling Class and all other matters as to which Noteholders are entitled to vote; and (b) are exchangeable into Class B-1 CM Non-Voting Notes or Class B-1 CM Non-Voting Exchangeable Notes, in each case, in accordance with the restrictions set out in the Trust Deed at any time.

"**Class B-2 CM Non-Voting Exchangeable Notes**" means the Class B-2 Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class B-2 CM Voting Notes have a right to vote and be so counted; and (b) are exchangeable at any time into (i) Class B-2 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (ii) Class B-2 CM Non-Voting Notes, and **provided further that**, in each case, such exchange is in accordance with the restrictions set out in the Trust Deed at any time.

"**Class B-2 CM Non-Voting Notes**" means the Class B-2 Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class B-2 CM Voting Notes have a right to vote and be so counted; and (b) are not exchangeable into Class B-2 CM Voting Notes or Class B-2 CM Non-Voting Exchangeable Notes at any time.

"**Class B-2 CM Voting Notes**" means the Class B-2 Notes which (a) carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions, if such Class B-2 CM Voting Notes are the Controlling Class and all other matters as to which Noteholders are entitled to vote; and (b) are exchangeable into Class B-2 CM Non-Voting Notes or Class B-2 CM Non-Voting Exchangeable Notes, in each case, in accordance with the restrictions set out in the Trust Deed at any time.

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

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

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

"**Class C CM Non-Voting Exchangeable Notes**" means the Class C Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class C CM Voting Notes have a right to vote and be so counted; and (b) are exchangeable at any time into (i) Class C CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (ii) Class C CM Non-Voting Notes, and **provided further that**, in each case, such exchange is in accordance with the restrictions set out in the Trust Deed at any time.

"**Class C CM Non-Voting Notes**" means the Class C Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class C CM Voting Notes have a right to vote and be so counted; and (b) are not exchangeable into Class C CM Voting Notes or Class C CM Non-Voting Exchangeable Notes at any time.

"**Class C CM Voting Notes**" means the Class C Notes which (a) carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions, if such Class C CM Voting Notes are the Controlling Class and all other matters as to which Noteholders are entitled to vote; and (b) are exchangeable into Class C CM Non-Voting Notes or Class C CM Non-Voting Exchangeable Notes, in each case, in accordance with the restrictions set out in the Trust Deed at any 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 on the following Payment Date. For the purposes of calculating the Class C Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A 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 Noteholders**" means the holders of any Class C Notes from time to time.

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

"**Class C Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class C Par Value Ratio is at least equal to 124.3 per cent. "**Class C Noteholders**" means the holders of any Class C Notes from time to time.

"**Class D CM Non-Voting Exchangeable Notes**" means the Class D Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class D CM Voting Notes have a right to vote and be so counted; and (b) are exchangeable at any time into (i) Class D CM

Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (ii) Class D CM Non-Voting Notes, and **provided further that**, in each case, such exchange is in accordance with the restrictions set out in the Trust Deed at any time.

"**Class D CM Non-Voting Notes**" means the Class D Notes which (a) do not carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions but which do have a right to vote on and be so counted in respect of all other matters in respect of which the Class D CM Voting Notes have a right to vote and be so counted; and (b) are not exchangeable into Class D CM Voting Notes or Class D CM Non-Voting Exchangeable Notes at any time.

"**Class D CM Voting Notes**" means the Class D Notes which (a) carry a right to vote with respect to or be counted for the purposes of determining a quorum and the result of voting on CM Removal Resolutions and CM Replacement Resolutions, if such Class D CM Voting Notes are the Controlling Class and all other matters as to which Noteholders are entitled to vote; and (b) are exchangeable into Class D CM Non-Voting Notes or Class D CM Non-Voting Exchangeable Notes, in each case, in accordance with the restrictions set out in the Trust Deed at any 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 on the following Payment Date. For the purposes of calculating the Class D Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A 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 Noteholders**" means the holders of any Class D Notes from time to time.

"**Class D Par Value Ratio**" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes and 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 117.0 per cent.

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

"**Class E Interest Coverage Ratio**" means, as of 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 on the following Payment Date. 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 Noteholders**" means the holders of any Class E Notes from time to time.

"**Class E Par Value Ratio**" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, 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 107.7 per cent.

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

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

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

(a) the Class A-1 Notes;

(b) the Class A-2 Notes;

(c) the Class A-3 Notes;

(d) the Class B-1 Notes;

(e) the Class B-2 Notes;

(f) the Class C Notes;

(g) the Class D Notes;

(h) the Class E Notes;

(i) the Class F Notes; and

(j) the Subordinated Notes,

and "**Class of Noteholders**" and "**Class**" shall be construed accordingly and shall include any Class of Notes issued pursuant to Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and any other notes issued pursuant to Condition 17 (*Additional Issuances*), provided that, notwithstanding that (i) the Class A-1 CM Voting Notes, Class A-1 CM Non-Voting Exchangeable Notes, Class A-1 CM Non-Voting Notes, Class A-2 CM Voting Notes, Class A-2 CM Non-Voting Exchangeable Notes, Class A-2 CM Non-Voting Notes, Class A-3 CM Voting Notes, Class A-3 CM Non-Voting Exchangeable Notes and Class A-3 CM Non-Voting Notes are all Class A Notes, (ii) the Class B-1 CM Voting Notes, Class B-1 CM Non-Voting Exchangeable Notes, Class B-1 CM Non-Voting Notes, Class B-2 CM Voting Notes, Class B-2 CM Non-Voting Exchangeable Notes and Class B-2 CM Non-Voting Notes are all Class B Notes, (iii) the Class C CM Voting Notes, Class C CM Non-Voting Exchangeable Notes and Class C CM Non-Voting Notes are all Class C Notes and (iv) the Class D CM Voting Notes, Class D CM Non-Voting Exchangeable Notes and Class D CM Non-Voting Notes are all Class D Notes, they shall not be treated as a single Class of Class A Notes, Class B Notes, Class C Notes or Class D Notes, as applicable, in respect of any vote or determination of quorum under the Trust Deed in connection with a CM Removal Resolution or a CM Replacement

Resolution as further described in these Conditions, the Trust Deed and the Collateral Management and Administration Agreement.

"**Clearing System**" means Euroclear or Clearstream, Luxembourg.

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

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

"**CM Non-Voting Exchangeable Notes**" means the Class A-1 CM Non-Voting Exchangeable Notes, the Class A-2 CM Non-Voting Exchangeable Notes, the Class A-3 CM Non-Voting Exchangeable Notes, the Class B-1 CM Non-Voting Exchangeable Notes, the Class B-2 CM Non-Voting Exchangeable Notes, the Class C CM Non-Voting Exchangeable Notes and the Class D CM Non-Voting Exchangeable Notes.

"**CM Non-Voting Notes**" means the Class A-1 CM Non-Voting Notes, the Class A-2 CM Non-Voting Notes, the Class A-3 CM Non-Voting Notes, the Class B-1 CM Non-Voting Notes, the Class B-2 CM Non-Voting Notes, the Class C CM Non-Voting Notes and the Class D CM Non-Voting Notes.

"**CM Removal Resolution**" means any Resolution, vote, written direction or consent of the Noteholders in relation to the removal of the Collateral Manager in accordance with the Collateral Management and Administration Agreement or in relation to the waiver or modification of any event constituting a Collateral Manager For Cause Event (as such term is defined in the Collateral Management and Administration Agreement) in relation to such removal pursuant to the Collateral Management and Administration Agreement.

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

"**CM Voting Notes**" means the Class A-1 CM Voting Notes, the Class A-2 CM Voting Notes, the Class A-3 CM Voting Notes, the Class B-1 CM Voting Notes, the Class B-2 CM Voting Notes, the Class C CM Voting Notes and the Class D CM Voting Notes.

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

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

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

"**Collateral Enhancement Obligation**" means any warrant or equity security, excluding Exchanged Securities, but including without limitation, warrants relating to Mezzanine Obligations and any equity security received upon conversion or exchange of, or exercise of an option under, or otherwise in respect of a Collateral Obligation; or any warrant or equity security purchased as part of a unit with a Collateral Obligation and other debt obligations not satisfying the Eligibility Criteria (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 or any securities or interests resulting from the exercise of an option, warrant, right of conversion, pre-emptive right, rights offering, credit bid or similar right in connection with the workout or restructuring of a Collateral Obligation or an equity security or interest received in connection with the workout or restructuring of a Collateral Obligation, provided that no Collateral Enhancement Obligation may be, or be exchangeable into, a Dutch Ineligible Security. For the avoidance of doubt, the acquisition of Collateral Enhancement Obligations will not be required to satisfy the Eligibility Criteria.

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

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

"**Collateral Manager Information**" means the information under "*Description of the Collateral Manager*" and "*Risk Factors – Collateral Manager – Relating to certain conflicts of interest – Collateral Manager*" of the Offering Circular dated 3 September 2015.

"**Collateral Manager Related Party**" means each of the Collateral Manager, any of its Affiliates, any director, officer or employee of the Collateral Manager or any of its Affiliates or any fund or account for which the Collateral Manager or any of its Affiliates exercises discretionary management services or authority on behalf of such fund or account.

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

(a) Issuer has become subject either (i) to any United Kingdom income or corporation tax liability (including, without limitation, by virtue of the Collateral Manager causing the Issuer to be carrying on a trade in the United Kingdom through a United Kingdom permanent establishment) or (ii) to any U.S. federal income tax, in either case on a net income or profits basis, or there being a substantial likelihood that the Issuer will become subject to such United Kingdom tax or such U.S. federal income tax;

(b) the Collateral Manager has not (i) changed the location from which it provides its collateral management services under the terms of the Collateral Management and Administration Agreement so as to remedy or (ii) otherwise remedied or eliminated the occurrence of such event described in paragraph (a) above (including by the appointment of a replacement Collateral Manager in its place) within 90 days of the date that the Collateral Manager is notified or otherwise first becomes aware of the occurrence of such event; and

(c) where the amount of such tax liability (determined as at the date upon which the Issuer becomes subject to such liability) is either (A) (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 (B) in a sufficient amount such that the Class E Par Value Test would not be satisfied if calculated assuming payment by the Issuer of such tax liability)

(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 and Administration 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 (including by way of a Participation) by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer) and which satisfies the Eligibility Criteria as determined by the Collateral Manager at the time that any commitment to purchase is entered into by or on behalf of the Issuer save for an Issue Date Collateral Obligation which must only satisfy the Eligibility Criteria on the Issue Date. References to Collateral Obligations shall include Non-Euro Obligations but shall not include Collateral Enhancement Obligations, Eligible Investments or Exchanged Securities. Obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase but which have not yet settled shall be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, Collateral Quality Tests, the Coverage Tests, the Interest Diversion Test and all other tests and criteria applicable to the Portfolio at any time as if such purchase had been completed. Each Collateral Obligation in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations solely for the purpose of the calculation of the Portfolio Profile Tests, Collateral Quality Tests, the Coverage Tests, the Interest Diversion Test and all other tests and criteria applicable to the Portfolio at any time as if such sale had been completed. The failure of any obligation to satisfy the Eligibility Criteria at any other time shall not cause such obligation to

cease to constitute a Collateral Obligation. 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) shall only constitute a Collateral Obligation for the purpose of the calculation of the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests, Interest Diversion Test and all other tests and criteria applicable to the Portfolio if it satisfies the Restructured Obligation Criteria on the appropriate Restructuring 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 date of determination, the amount equal to the aggregate of the following amounts, as at such date of determination:

(a) the Aggregate Principal Balance of all Collateral Obligations, **provided however** that the Principal Balance of Defaulted Obligations shall be excluded in calculating the Collateral Principal Amount for the purposes only of:

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

(ii) where otherwise expressly stated herein or in the Transaction Documents;

(b) for the purpose solely of calculating the Collateral Management Fees:

(i) the aggregate amount of all accrued and unpaid interest purchased with Principal Proceeds (other than with respect to Defaulted Obligations); and

(ii) without duplication with (b)(i) above, obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase, but which have not yet settled,

shall be included as Collateral Obligations as if such purchase had been completed and obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations as if such sale had been completed; and

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

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

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

(i) the Moody's Minimum Diversity Test;

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

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

(iv) the Moody's Minimum Weighted Average Floating Spread Test; and

(v) the Moody's Minimum Weighted Average Coupon Test; and

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

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

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

(iii) the Fitch Minimum Weighted Average Spread Test; and

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

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

each as defined in the Collateral Management and Administration Agreement.

"**Collateral Tax Event**" means at any time, as a result of the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final) (including, for the avoidance of doubt, related to FTT), or as a result of the application of FATCA, interest payments due from the Obligors of any Collateral Obligations in relation to any Due Period to the Issuer being or becoming properly subject to the imposition of home jurisdiction or foreign withholding tax (other than where such withholding tax is compensated for by a "gross up" provision in the terms of the Collateral Obligation or such requirement to withhold is eliminated pursuant to a double taxation treaty so that the Issuer is held completely harmless from the full amount of such withholding tax on an after tax basis) so that the aggregate amount of such withholding tax on all Collateral Obligations in relation to such Due Period is equal to or in excess of 6 per cent. of the aggregate interest payments due (for the avoidance of doubt, excluding any additional interest arising as a result of the operation of any gross up provision) on all Collateral Obligations in relation to such Due Period.

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

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

"**Contribution**" has the meaning given to it in Condition 3(d) (*Contributions*).

"**Contributor**" has the meaning given to it in Condition 3(d) (*Contributions*).

"**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, and if 100 per cent. of the Principal Amount Outstanding of the Class A Notes is held in the form of CM Non-Voting Notes and/or CM Non-Voting Exchangeable Notes,

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 the Class B Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, and if 100 per cent. of the Principal Amount Outstanding of each of the Class A Notes and the Class B Notes is held in the form of CM Non-Voting Notes and/or CM Non-Voting Exchangeable Notes,

the Class C Notes; or

(d)

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

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

the Class D Notes; or

(e)

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

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

the Class E Notes; or

(f) 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, the Class F Notes; or

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

provided that, solely in connection with a CM Removal Resolution or a CM Replacement Resolution, no Notes held in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution or (C) be counted for the purposes of determining a quorum or the result of voting in respect of such CM Removal Resolution or CM Replacement Resolution. For the avoidance of doubt, any redemption in full of any one or more Classes of Rated Notes where there is a simultaneous Refinancing of such Class(es) in accordance with the Conditions shall not be deemed to be a redemption for this purpose and such Class(es) shall remain Outstanding.

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

"**Corporate Rescue Loan**" means any interest in a loan or financing facility that is acquired directly by way of a new advance or an assignment which is paying interest on either (i) a current basis or (ii) a current and deferrable basis, and either:

(a) is an obligation of a debtor in possession as described in § 1107 of the United States Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to § 1104 of the United States Bankruptcy Code) (a "**Debtor**") organised under the laws of the United States or any State therein, the terms of which have been approved by an order of the United States Bankruptcy Court, the United States District Court, or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) and which order provides that (x) such Corporate Rescue Loan is secured by liens on the Debtor's otherwise unencumbered assets pursuant to § 364(c)(2) of the United States Bankruptcy Code; or (y) such Corporate Rescue Loan is secured by liens of equal or senior priority on property of the Debtor's estate that is otherwise subject to a lien pursuant to § 364(d) of the United States Bankruptcy Code; or (z) such Corporate Rescue Loan is secured by junior liens on the Debtor's unencumbered assets and such Corporate Rescue Loan is fully secured based upon a current valuation or appraisal report; or (aa) if the Corporate Rescue Loan or any portion thereof is unsecured, the repayment of such Corporate Rescue Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or

(b) is a credit facility or other advance made available to a company or group (x) which, in each case, is not organised under the laws of the United States or any State therein in a restructuring or insolvency process or (y) in a restructuring or insolvency process with main proceedings outside of the US, which (i) constitutes the most senior secured obligations of the entity which is the borrower thereof and either (ii) ranks *pari passu* in all respects with the other senior 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.* bond) of the borrower and its subsidiaries in priority to all such other senior secured indebtedness, or (iii) achieves priority over other senior secured obligations of the borrower otherwise than through the grant of security, such as pursuant to the operation of applicable insolvency legislation (including as an expense of the restructuring or insolvency process) or other applicable law.

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

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

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

"**Cov-Lite Loan**" means a Collateral Obligation, as determined by the Collateral Manager in its reasonable commercial judgment, that is an interest in a loan, the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the Obligors 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 (a) if such Collateral Obligation either contains a cross-default provision to, or is *pari passu* with, another loan where the relevant Obligors are part of the borrowing group thereunder that requires compliance with one or more Maintenance Covenants, such Collateral Obligation will be deemed not to be a Cov-Lite Loan and (b) for the avoidance of doubt, if the Underlying Instrument provides for covenants pursuant to paragraph (i) and/or (ii) above but such covenants only take effect after a specified period of no more than six months following the drawdown date of the relevant loan, then such loan shall not be considered a Cov-Lite Loan.

"**CRA Regulation**" means European Union Regulation (EC) No 1060/2009 (as amended).

"**Credit Improved Obligation**" means any Collateral Obligation which, in the Collateral Manager's commercially reasonable business 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 and 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 satisfied in respect of a Collateral Obligation if any of the following apply to such Collateral Obligation, as determined by the Collateral Manager using commercially reasonable business judgment (which judgment will not be called into question as a result of subsequent events):

(a) if such Collateral Obligation is a loan obligation or floating rate note, the price of such loan obligation or floating rate note has changed during the period from the date on which the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such Collateral Obligation to the date of determination by a percentage either at least 0.25 per cent. more positive, or 0.25 per cent. less negative, as the case may be, than the percentage change in the average price of the applicable Eligible Loan Index or Eligible Bond Index (as applicable) selected by the Collateral Manager over the same period;

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

(c) if such Collateral Obligation is a loan obligation or floating rate note, the spread over the applicable reference rate for such Collateral Obligation has been decreased in accordance with the applicable Underlying Instrument since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such decrease) less than or equal to 2.00 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation with a spread (prior to such decrease) greater than 2.00 per cent. but less than or equal to 4.00 per cent.) or (3) 0.50 per cent. or more (in the case of a loan obligation with a spread (prior to such decrease) greater than 4.00 per cent.) due, in each case, to an improvement in the Obligor's financial ratios or financial results; or

(d) if the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes divided by cash interest expense as disclosed by the Obligor or arranging bank for the relevant credit facility, or calculated by a third party in published research reports, or as estimated by the Collateral Manager in a commercially reasonable manner) of the Obligor of such Collateral Obligation is expected to be more than 1.15 times the current year's projected cash flow interest coverage ratio;

(e) the Obligor of such Collateral Obligation has shown improved financial results 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 or on positive outlook by either of the Rating Agencies since the date on which such Collateral Obligation was acquired by the Issuer; or

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

"**Credit Risk Obligation**" means any Collateral Obligation (other than a Defaulted Obligation) that, in the Collateral Manager's commercially reasonable business 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 and 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.

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

(a) if such Collateral Obligation is a loan obligation or floating rate note, the price of such Collateral Obligation has changed during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage which is (i) in the case of Secured Senior Obligations, either at least 0.25 per cent. more negative or at least 0.25 per cent. less positive and (ii) in the case of Unsecured Senior Obligations, Second Lien Loans or Mezzanine Obligations, either at least 0.50 per cent. more negative or at least 0.50 per cent. less positive, in each case, than the percentage change in the average price 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 Fixed Rate Collateral Obligation which is a bond or security, the price of such Collateral Obligation has changed since the date of purchase by a percentage either at least 1.00 per cent. more negative or at least 1.00 per cent. less positive, as the case may be, than the percentage change in the Eligible Bond Index over the same period, as determined by the Collateral Manager;

(d) if such Collateral Obligation is a loan obligation or floating rate note, the spread over the applicable reference rate for such Collateral Obligation has been increased in accordance with the applicable Underlying Instrument since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such increase) less than or equal to 2.00 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 2.00 per cent. but less than or equal to 4.00 per cent.) or (3) 0.50 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 4.00 per cent.) due, in each case, to a deterioration in the Obligor's financial ratios or financial results; or

(e) if the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes divided by cash interest expense as disclosed by the Obligor or arranging bank for the relevant credit facility, or calculated by a third party in published research reports) of the Obligor of such Collateral Obligation is less than 1.00 or is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio.

"**CRR**" means Regulation No 575/2013 of the European Parliament and of the Council.

"**CRR Retention Requirements**" means Part Five of the CRR as amended from time to time and including any guidance or any technical standards published in relation thereto, provided that any reference to the CRR Retention Requirements shall be deemed to include any successor or replacement provisions to Part Five of the CRR.

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

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

"**Currency Hedge Counterparty**" means any financial institution with which the Issuer has entered into a Currency Hedge Agreement or any permitted successor or assignee thereof pursuant to the terms of such Currency Hedge Agreement provided that each such party shall have (including as a matter of Dutch law) the regulatory capacity to enter into derivatives transactions with Dutch residents.

"**Currency Hedge Issuer Termination Payment**" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination of the applicable Currency Hedge Agreement or Currency Hedge Transaction or in connection with a modification of the applicable Currency Hedge Agreement or Currency Hedge Transaction.

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

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

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

(a) the Collateral Manager believes, in its reasonable business judgment, that 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 bankruptcy or insolvency proceedings, a bankruptcy court has authorised the payment of interest and principal payments when due thereunder; and

(c) the Collateral Obligation has either:

(i) a Moody's Rating of at least "Caa1" and a Market Value of at least 80 per cent. of its current Principal Balance; or

(ii) a Moody's Rating of at least "Caa2" and a Market Value of at least 85 per cent. of its current Principal Balance; or

(iii) if:

(A) such Collateral Obligation is a loan and the Eligible Loan Index is trading below 90 per cent., such Collateral Obligation has either (x) a Market Value of at least 85 per cent. of the average price of such Eligible Loan Index and a Moody's Rating of at least "Caa2" or (y) a Market Value of at least 80 per cent. of the average price of such Eligible Loan Index and a Moody's Rating of at least "Caa1"; or

(B) such Collateral Obligation is a bond and the Eligible Bond Index is trading below 90 per cent., such Collateral Obligation has a Market Value of at least 75 per cent. of such Eligible Bond Index.

"**Custody Account**" means the custody account or accounts held and administered from within the United Kingdom and in any event outside The Netherlands established on the books of the Custodian in accordance with the provisions of the Agency and Account Bank Agreement, which term shall include each cash account relating to each such Custody Account (if any).

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

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

"**Defaulted Obligation**" means a Collateral Obligation as determined by the Collateral Manager using reasonable commercial judgment based on circumstances at the time of determination (which judgment will not be called into question as a result of subsequent events which change the position from that which existed on the date of the original determination):

(a) in respect of which there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto 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 Trustee in writing that, to the knowledge of the Collateral Manager, such default has resulted from non-credit-related causes, such Collateral Obligation shall not constitute a "**Defaulted Obligation**" for the greater of five Business Days, seven calendar days or any grace period applicable thereto (but in no case beyond the passage of any grace period applicable thereto), in each case which default entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such obligation, but only until such default has been cured;

(b) in respect of which any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such 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 such Obligor has filed for protection under Chapter 11 of the United States Bankruptcy Code;

(c) in respect of which the Collateral Manager knows the Obligor thereunder is in default as to payment of principal and/or interest on another of its obligations, save for obligations constituting trade debts which the applicable Obligor is disputing in good faith (and such default has not been cured), but only if both such other obligation and the Collateral Obligation are either (A) both full recourse and unsecured obligations or (B) the other obligation ranks at least *pari passu* with the Collateral Obligation in right of payment without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (other than in the case of a default that in the Collateral Manager's reasonable judgment, as certified to the Trustee in writing, is not due to credit-related causes) of five Business Days, seven calendar days or any grace period applicable thereto, 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 clause (c) only until, to the knowledge of the Collateral Manager, such acceleration has been rescinded and (y) a Collateral Obligation shall not constitute a Defaulted Obligation under this paragraph (c) if the Collateral Manager has notified the Rating Agencies and the Trustee in writing of its decision not to treat the Collateral Obligation as a Defaulted Obligation and Rating Agency Confirmation has been received in respect thereof;

(d) which (i) has an Moody's Rating of "Ca" or "C" or below; or (ii) has a Fitch Rating of "CC" or below or "RD";

(e) in respect of a Collateral Obligation that is a Participation,

(i) the Selling Institution has defaulted in respect of any of its payment obligations under the terms of such Participation;

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

(iii) the Selling Institution has (x) a Moody's Rating of "D" or had such Moody's Rating immediately prior to its withdrawal by Moody's or (y) a Fitch Rating of "CC" or below or "RD" or in either case had such rating prior to its withdrawal of its Fitch Rating;

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

(g) 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 (g) 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 (A) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (f) above if such Collateral Obligation (or, in the case of a Participation, 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 (for which purposes the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and Fitch Collateral Value) will be treated as Defaulted Obligations and, *provided further that* in determining which of the Current Pay Obligations are to be treated as Defaulted Obligations under this proviso, the Current Pay Obligations with the lowest Market Value expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination shall be deemed to constitute the excess), (B) a Collateral Obligation shall not constitute a Defaulted Obligation if such Collateral Obligation (or, in the case of a Participation, the underlying obligation) is a Corporate Rescue Loan (provided that the Aggregate Principal Balance of Corporate Rescue Loans exceeding 5.0 per cent. of the Collateral Principal Amount or, in the case of Corporate Rescue Loans of a single Obligor, the Aggregate Principal Balance of such Corporate Rescue Loans exceeding 2.0 per cent. of the Collateral Principal Amount, in each case, will be treated as Defaulted Obligations), and (C) any Collateral Obligation shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of "*Defaulted Obligation*".

"**Defaulted Obligation Excess Amounts**" means, in respect of a Defaulted Obligation, the greater of:

(a) zero; and

(b) the aggregate of all recoveries (including by way of sale proceeds) in respect of such Defaulted Obligation for so long as it is a Defaulted Obligation, minus the sum of (a) the Principal Balance of such Defaulted Obligation immediately outstanding prior to receipt of such amounts and (b) any outstanding Purchased Accrued Interest related thereto.

"**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) (*Deferred Interest*).

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

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

"**Deferring Security**" means a Collateral Obligation (other than a Defaulted Obligation) that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon:

(a) with respect to Collateral Obligations that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive accrual periods or one year; and

(b) with respect to Collateral Obligations that have a Moody's Rating of "Ba1" or below, for the shorter of one accrual period or six consecutive months,

which deferred capitalised interest has not, as of the date of determination, been paid in cash.

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

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

"**Determination Date**" means the last Business Day of each Due Period, or in the event of any redemption of the Notes pursuant to Conditions 7(b) (*Optional Redemption*), 7(g) (*Redemption following Note Tax Event*) or 11 (*Enforcement*), eight Business Days prior to the applicable Redemption Date.

"**Directors**" means Mr. H. P. C. Mourits, Mr. A. Weglau and Mr. S. E. J. Ruigrok or such person(s) who may be appointed as Director(s) of the Issuer from time to time.

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

(a) in the case of a Floating Rate Collateral Obligation, is acquired by the Issuer for a purchase price that is lower than 80 per cent. of the Principal Balance of such Collateral Obligation (or, if such Collateral Obligation has a Moody's Rating below "B3", such Collateral Obligation is acquired by the Issuer for a purchase price of lower than 85 per cent. of its Principal Balance); provided that such Collateral Obligation shall cease to be a Discount Obligation at such time

as the Market Value (determined in accordance with paragraphs (a) through (d) of the definition thereof) (expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination) of such Collateral Obligation, as determined for any period of 20 consecutive Business Days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 90 per cent. of the Principal Balance of such Collateral Obligation; or

(b) in the case of any Fixed Rate Collateral Obligation, is acquired by the Issuer for a purchase price that is lower than 75 per cent. of the Principal Balance of such Collateral Obligation (or, if such Collateral Obligation has a Moody's Rating below "B3", such Collateral Obligation is acquired by the Issuer for a purchase price of lower than 80 per cent. of its Principal Balance); provided that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (determined in accordance with paragraphs (a) through (d) of the definition thereof) (expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination) of such Collateral Obligation, as determined for any period of 20 consecutive Business Days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 85 per cent. of the Principal Balance of such Collateral Obligation,

provided that if such Collateral Obligation is a Revolving Obligation or Delayed Drawdown Collateral Obligation, the purchase price of such Revolving Obligation or Delayed Drawdown Collateral Obligation for such purpose shall be deemed to include any amounts required to be transferred to the Unfunded Revolver Reserve Account upon acquisition of such Revolving Obligation or Delayed Drawdown Collateral Obligation by the Issuer.

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

"**Dodd-Frank Act**" means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

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

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

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

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

"**Dutch Ineligible Securities**" means:

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

(b) all securities or interests in securities, the purchase or acquisition of which by or on behalf of the Issuer would cause the breach of applicable selling or transfer restrictions or of applicable Dutch laws relating to the offering of securities or of collective investment schemes;

(c) shares representing 5 per cent. or more of the nominal paid up share capital of or the voting rights in a corporate entity;

(d) obligations or instruments which are convertible into or exchangeable for shares, rights to acquire shares or derivatives referring to shares, where the shares underlying such obligations, instruments, rights or derivatives, alone or together with any shares held at any time by the Issuer, represent 5 per cent. or more of the nominal paid up share capital of or the voting rights in a corporate entity; or

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

"**EBA**" means the European Banking Authority (formerly known as the Committee of European Banking Supervisors), or any predecessor, successor or replacement agency or authority.

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

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

(b) 25 March 2016 or, if such date is not a Business Day, then on the next succeeding Business Day, unless it would fall in the following month, in which case it shall be the immediately preceding Business Day.

"**Effective Date Determination Requirements**" means, as at the Effective Date, each of the Portfolio Profile Tests, the Collateral Quality Tests, the Interest Diversion Test and the Coverage Tests (save for the Interest Coverage Tests) being satisfied on such date, and the Issuer having acquired or having entered into binding commitments to acquire Collateral Obligations the Aggregate Principal Balance of which equals or exceeds the Target Par Amount by such date, provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of 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 (i) Moody's Collateral Value and (ii) Fitch Collateral Value.

"**Effective Date Moody's Condition**" means a condition satisfied if (a) the Issuer is provided with an accountants' certificate stating that the Effective Date Determination Requirements are satisfied 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 and Rating Agency Confirmation of the Initial Ratings of the Rated Notes not being received from the Rating Agencies in respect of such failure; and

(b) either the failure by the Collateral Manager (acting on behalf of the Issuer) to present a Rating Confirmation Plan to the Rating Agencies or Rating Agency Confirmation has not been obtained for the Rating Confirmation Plan,

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, notwithstanding paragraphs (a) and/or (b) above applying.

"**Effective Date Report**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Eligibility Criteria**" means the Eligibility Criteria specified in the Collateral Management and Administration Agreement which are required to be satisfied in respect of each Collateral Obligation

acquired by the Collateral Manager (on behalf of the Issuer) at the time of entering into a binding commitment to acquire such obligation and in the case of Issue Date Collateral Obligations, the Issue Date.

"**Eligible Bond Index**" means Markit iBoxx EUR High Yield Index or any other similarly internationally recognised or comparable index selected by the Collateral Manager and notified in writing to the Trustee, the Collateral Administrator and each Rating Agency.

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

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

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

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

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

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

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

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

(C) such other ratings as confirmed by Fitch;

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

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

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

(C) such other ratings as confirmed by Fitch.

"**Eligible Investments**" means any investment denominated in Euro that is in registered form for U.S. federal income tax purposes or is not a "registration-required obligation" as defined in Section 163(f) of the Code at the time it is acquired, and is one or more of the following obligations or securities (other than obligations or securities which are zero coupon obligations or securities):

(a) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed by, an Eligible Investments Qualifying Country or any agency or instrumentality of an Eligible Investments Qualifying Country, the obligations of which are fully and expressly guaranteed by an Eligible Investments Qualifying Country, which, in each case, has a rating of not less than the applicable 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 an Eligible Investments 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 an Eligible Investments Qualifying Country, in either case entered into with a depository institution or trust company (acting as principal) described in paragraph (b) above or entered into with a corporation (acting as principal) whose debt obligations are rated not less than the applicable Eligible Investment Minimum Rating at the time of such investment;

(d) securities bearing interest or sold at a discount to the face amount thereof issued by any corporation incorporated under the laws of an Eligible Investments 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, or if not rated "AAAmmf" by Fitch, is rated "Aaa-mf" by Moody's and "AAAm" or "AAAm-G" by S&P, provided that such fund issues shares, units or participations that may be lawfully acquired in The Netherlands; and

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

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

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

and, in each case, such instrument or investment provides for payment of a predetermined fixed amount of principal on maturity that is not subject to change, either (A) has a Collateral Obligation Stated Maturity (giving effect to any applicable grace period) which is the earlier of (x) 365 days and (y) the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated at par on demand without penalty, **provided**, **however**, that Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes, security purchased at a price in excess of 100 per cent. of par, security whose repayment is subject to substantial non-credit related risk (as determined by the Collateral Manager in its discretion) or any Dutch Ineligible Securities.

"**Eligible Investment Qualifying Country**" means any of Austria, Belgium, Canada, the Channel Islands, Denmark, Finland, France, Germany, Iceland, Republic of Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom or United States and any other country which has a Moody's local currency country risk ceiling of, at the time of

acquisition of the relevant Eligible Investment, at least "Baa2" or "P-2" by Moody's and the foreign currency country issuer rating of which is rated, at the time of acquisition of the relevant Eligible Investment, at least "BBB-" by Fitch (provided that Rating Agency Confirmation is received in respect of any such other country which is not in the Euro-Zone) or any other country in respect of which, at the time of acquisition of the relevant Eligible Investment, Rating Agency Confirmation is received.

"**Eligible Loan Index**" means the S&P European Leveraged Loan Index or any other similarly internationally recognised or comparable index selected by the Collateral Manager and notified in writing to the Trustee, the Collateral Administrator and each Rating Agency.

"**EMIR**" means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July, 2012 on OTC derivatives, central counterparties and trade repositories, including any implementing and/or delegated regulation, technical standards and guidance related thereto.

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

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

(a) prior to the occurrence of a Frequency Switch Event, as applicable to three month Euro deposits;

(b) following the occurrence of a Frequency Switch Event, as applicable to six month Euro deposits or, in the case of the period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date, if such final Payment Date falls in August 2027, as applicable to three month Euro deposits; and

(c) in the case of the initial Accrual Period, as applicable to a straight line interpolation of the rates applicable to 6 and 9 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.

"**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.

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

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

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

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

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

"**Exchanged Security**" means any of (a) an equity security or warrant, including any equity security received upon conversion or exchange of, or exercise of an option in respect of a Collateral Obligation but excluding Collateral Enhancement Obligations, the acquisition of which would not cause the breach

of applicable selling or transfer restrictions relating to the offering of securities or of collective investment schemes 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 of a Defaulted Obligation in effect as of the later of the Issue Date and the date of issuance of the relevant Collateral Obligation and (b) a Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation or by way of substitution of new obligations and/or a change of Obligor) for so long as it does not satisfy the Restructured Obligation Criteria on the applicable Restructuring Date, provided that, if an Exchanged Security is a Dutch Ineligible Security, the Collateral Manager shall sell such Dutch Ineligible Security in the manner described in the Collateral Management and Administration Agreement.

"**Expense Reserve Account**" means an interest bearing account in the name of the Issuer so entitled and held by the Account Bank.

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

"**FATCA**" means:

(a) Sections 1471 to 1474 of the Code or any associated regulations or other official guidance;

(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; and

(c) any agreement pursuant to or in connection with the implementation of paragraphs (a) or (b) above with the IRS, the U.S. government or any governmental or taxation authority in any other jurisdiction.

"**First Lien Last Out Loan**" means a Collateral Obligation that is an interest in a loan, the Underlying Instruments for which (i) may by its terms become subordinate in right of payment to any other obligation of the Obligor of such loan solely upon the occurrence of a default or event of default by the Obligor of such loan and (ii) is secured by a valid perfected first priority security interest or lien in, to or on specified collateral securing the Obligor's obligations under the loan. A First Lien Last Out Loan shall be treated in all cases (other than for the purposes of the Eligibility Criteria) as a Second Lien Loan.

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

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

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

(a) its prevailing Market Value; and

(b) its Fitch Recovery Rate, multiplied by its Principal Balance, provided that if the Market Value cannot be determined for any reason, the Fitch Collateral Value shall be determined in accordance with paragraph (b) above.

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

"**Fitch Recovery Rate**" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Fitch.

"**Fitch Test Matrix**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fixed Rate Collateral Obligation**" means any Collateral Obligation that bears a fixed rate of interest.

"**Fixed Rate Notes**" means the Class A-2 Notes, the Class A-3 Notes and the Class B-2 Notes; provided that the Class A-3 Notes shall bear a floating rate of interest following the expiry of the Class A-3 Fixed Rate Period in accordance with these Conditions and shall thereupon cease to be "Fixed Rate Notes" for the purposes of these Conditions, the Trust Deed and the other Transaction Documents.

"**Floating Rate Collateral Obligation**" means any Collateral Obligation that bears a floating rate of interest.

"**Floating Rate Notes**" means the Class A-1 Notes, the Class A-3 Notes, the Class B-1 Notes, the Class C Notes, Class D Notes, the Class E Notes and the Class F Notes; provided that the Class A-3 Notes shall bear a floating rate of interest following the expiry of the Class A-3 Fixed Rate Period in accordance with these Conditions and shall thereupon (but not prior thereto) be deemed to be "Floating Rate Notes" for the purposes of these Conditions, the Trust Deed and the other Transaction Documents.

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

"**Floor Obligation**" means, as of any date, a Floating Rate Collateral Obligation (a) for which the related Underlying Instruments allow a GBP-LIBOR or EURIBOR (as applicable) rate option, (b) that provides that such GBP-LIBOR or EURIBOR (as applicable) rate is (in effect) calculated as the greater of (i) a specified "floor" rate per annum and (ii) the interbank offered rate for the applicable interest period of such Collateral Obligation and (c) that, as of such date, bears interest based on such GBP-LIBOR rate option or EURIBOR rate option (as applicable), but only if as of such date the interbank offered rate for the applicable interest period is less than such floor rate.

"**Form Approved Hedge**" means either (i) an Interest Rate Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies for the purposes of the transaction contemplated herein and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn and (in each case save for the amount and timing of periodic payments, the name of the Collateral Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies) or (ii) a Currency Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies for the purposes of the transaction contemplated herein and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn (in each case save for the amount and timing of periodic payments, the name of the Non-Euro Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies).

"**Foundation**" means Stichting Babson Euro CLO 2015-1, a foundation (*stichting*) established under the laws of The Netherlands and registered with the Chamber of Commerce under number 62112961.

"**Frequency Switch Event**" means the occurrence of a Determination Date on which either the Collateral Manager declares in its sole discretion that a Frequency Switch Event has occurred, provided that during the Class A-3 Fixed Rate Period the condition set out in paragraph (b) below is also satisfied on such Determination Date; or

(a) the Aggregate Principal Balance of all Frequency Switch Obligations in respect of such Determination Date is greater than or equal to 20.0 per cent. of the Collateral Principal Amount on such Determination Date; and

(b) for so long as any of the Class A Notes or Class B Notes remain Outstanding, the ratio (expressed as a percentage) obtained by dividing:

(i) the sum of:

(1) the aggregate of scheduled and projected interest and principal payments (and any commitment fees in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations) which will be due to be paid on each Collateral Obligation during the immediately following Due Period (which, in the case of each Non-Euro Obligation, to the extent that a Currency Hedge Agreement is in place, shall be converted into Euro at the applicable Currency Hedge Transaction Exchange Rate for the related Currency Hedge Transaction and, to the extent that no Currency Hedge Agreement is in place, shall be converted into Euro at the Spot Rate); and

(2) the Balance standing to the credit of the Interest Smoothing Account on such Determination Date; by

(ii) the scheduled Interest Amounts which will fall due on the Class A Notes and the Class B Notes on the second Payment Date following such Determination Date,

is less than 120.0 per cent.; and

(c) for so long as any of the Class A Notes or Class B Notes remain Outstanding, the sum of:

(i) the amount determined pursuant to paragraph (b)(i) above; and

(ii) the aggregate of scheduled and projected interest payments (and any commitment fees in respect of Revolving Obligations or Delayed Drawdown Collateral Obligations) which will be accrued but not yet paid as at the Business Day being three months following such Determination Date in respect of each Frequency Switch Obligation (which, in the case of each Non-Euro Obligation, to the extent that a Currency Hedge Agreement is in place, in the case of each Non-Euro Obligation shall be converted into Euro at the applicable Currency Hedge Transaction Exchange Rate for the related Currency Hedge Transaction and, to the extent that no Currency Hedge Agreement is in place, shall be converted into Euro at the Spot Rate),

is equal to or greater than the amount determined pursuant to paragraph (b)(ii) above,

with the projected interest amounts described above being calculated in respect of such Determination Date on the basis of the following assumptions:

(X) in respect of each Floating Rate Collateral Obligation, projected interest payable on such Floating Rate Collateral Obligation on each future payment date thereunder during the immediately following Due Period shall be determined based on the applicable base rate and applicable margin pursuant to the relevant Underlying Instrument as determined as at such Determination Date;

(Y) the frequency of interest payments on each Collateral Obligation shall not change following such Determination Date; and

(Z) EURIBOR for the purposes of calculating Interest Amounts in respect of the Class A-1 Notes and the Class B-1 Notes at all times following such Determination Date shall be equal to EURIBOR as determined as at such Determination Date.

"**Frequency Switch Obligation**" mean, in respect of a Determination Date, a Collateral Obligation which has become an Interest Smoothing Obligation during the Due Period related to such Determination Date as a result of a switch in the frequency of interest payments on such Collateral Obligation occurring during such Due Period in accordance with the applicable Underlying Instrument.

"**FTT**" means the financial transaction tax to be adopted in certain participating EU member states (including Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and

Spain) pursuant to the proposals, including a draft Directive, issued by the European Commission on 14 February 2013.

"**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 Certificate**" means a certificate representing one or more Notes in global, fully registered, form.

"**Global Exchange Market**" means the Global Exchange Market of the Irish Stock Exchange.

"**Hedge Agreement**" means any Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable) and "**Hedge Agreements**" means any of them.

"**Hedge Counterparty**" means any Interest Rate Hedge Counterparty or Currency Hedge Counterparty (as applicable) and "**Hedge Counterparties**" means any of them.

"**Hedge Counterparty Termination Payment**" means the amount payable by a Hedge Counterparty to the Issuer upon termination of a Hedge Transaction (in whole or in part), but excluding any due and unpaid scheduled amounts payable thereunder.

"**Hedge Issuer Tax Credit Payments**" means any amounts payable by the Issuer to a Hedge Counterparty pursuant to the terms of a Hedge Agreement in connection with any credit against, relief or remission for, or repayment of, any tax that has been obtained or utilised by the Issuer and which is attributable to a grossed up payment made by that Hedge Counterparty as a result of or in connection with any required withholding or deduction for or on account of any tax (or to such withholding or deduction itself) (but excluding, for the avoidance of doubt, any Hedge Issuer Termination Payments).

"**Hedge Issuer Termination Payment**" means the amount payable by the Issuer to a Hedge Counterparty upon termination of a Hedge Transaction, but excluding any due and unpaid scheduled amounts payable thereunder.

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

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

"**Hedge Termination Account**" means in respect of any Hedge Agreement the interest bearing account of the Issuer with the Account Bank into which all Hedge Counterparty Termination Payments and Hedge Replacement Receipts relating to that Hedge Agreement will be deposited.

"**Hedge Transaction**" means any Interest Rate Hedge Transaction or any Currency Hedge Transaction (as applicable) and "**Hedge Transactions**" means any of them.

"**Hedging Condition**" means, 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 shall 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 Commodities Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended.

"**High Yield Bond**" means a Collateral Obligation that is a debt security which, on acquisition by the Issuer, is a high yielding debt security as determined by the Collateral Manager, excluding any debt security which is secured directly on, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign

debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"**Incentive Collateral Management Fee**" means the fee payable to the Collateral Manager pursuant to the Collateral Management and Administration Agreement on each Payment Date on which the Incentive Collateral Management Fee IRR Threshold has been met or surpassed, such Incentive Collateral Management Fee being equal (exclusive of any VAT) to 20 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Subordinated Noteholders.

"**Incentive Collateral Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date if the Outstanding Subordinated Notes have received an annualised internal rate of return (computed using the "**XIRR**" function in Microsoft® Excel or an equivalent function in another software package) of at least 12 per cent. on the investment of the Subordinated Notes and calculated by reference to the Subordinated Notes Initial Offer Price Percentage and after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date, provided that any additional issuances of the Subordinated Notes pursuant to Condition 17 (*Additional Issuances*) shall be at their own issue price and not the Subordinated Notes Initial Offer Price Percentage. The annualised rate of return will be calculated based on distributions made on the Subordinated Notes and without taking into account any additional Subordinated Notes issued after the Issue Date pursuant to Condition 17 (*Additional Issuances*).

"**Incurrence Covenant**" means a covenant by any Obligor to comply with one or more financial covenants only upon the occurrence of certain actions of the Obligor, including a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture.

"**Initial Investment Period**" means the period from, and including, the Issue Date to, but excluding, the Effective Date.

"**Initial Ratings**" means in respect of any Class of Notes and any Rating Agency, the ratings (if any) assigned to such Class of Notes by such Rating Agency as at the Issue Date and "**Initial Rating**" means each such rating.

"**Interest Account**" means an interest bearing account described as such in the name of the Issuer with the Account Bank into which Interest Proceeds are to be paid.

"**Interest Amount**" has the meaning specified in Condition 6(f) (*Interest on the Floating Rate Notes*) in respect of the Floating Rate Notes and Condition 6(e) (*Interest on Fixed Rate Notes*) in respect of the Fixed Rate Notes.

"**Interest Coverage Amount**" means, on any particular Measurement Date (without double counting), the sum of:

(a) the Balance standing to the credit of the Interest Account;

(b) plus the scheduled interest payments (and any commitment fees due but not yet received in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations) due but not yet received (in each case regardless of whether the applicable due date has yet occurred) in the Due Period in which such Measurement Date occurs on the Collateral Obligations excluding:

(i) accrued and unpaid interest on Defaulted Obligations (excluding all Current Pay Obligations, irrespective of the limitation in the Portfolio Profile Tests);

(ii) interest on any Collateral 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 (including for the avoidance of doubt as a result of FATCA and/or FTT);

(v) any scheduled interest payments as to which the Issuer or the Collateral Manager has actual knowledge that such payment will not be made; and

(vi) any Purchased Accrued Interest,

provided that, in respect of a Non-Euro Obligation that is (A) subject to a Currency Hedge Transaction, this paragraph (b) shall be deemed to refer to the related Scheduled Periodic Currency Hedge Counterparty Payment, subject to the exclusions set out above or (B) is not subject to a Currency Hedge Transaction or if any portion of such Non-Euro Obligation is not subject to a Currency Hedge Transaction then in respect of such portion, the amount taken into account for this paragraph (b) should be an amount equal to the scheduled interest payments due but not yet received in respect of such Collateral Obligation, subject to the exclusions set out above, converted into Euros at the then prevailing Spot Rate;

(c) minus the amounts payable pursuant to paragraphs (A) through to (F) of the Interest Priority of Payments on the following Payment Date;

(d) minus any of the above amounts that would be payable into the Interest Smoothing Account on the Business Day after the Determination Date at the end of the Due Period in which such Measurement Date falls;

(e) plus any amounts that would be payable from the Expense Reserve Account, the Interest Smoothing Account and/or the Currency Account to the Interest Account in the Due Period relating to such Measurement Date (without double counting any such amounts which have been already transferred to the Interest Account);

(f) plus any Scheduled Periodic Hedge Counterparty Payments payable to the Issuer under any Interest Rate Hedge Transaction or Currency Hedge Transaction (as determined by the Issuer with the reasonable assistance of the Collateral Manager) to the extent not already included in accordance with (b) above; 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) or (iii) 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 Notes and on any relevant Account shall be calculated using then current interest rates applicable thereto.

"**Interest Coverage Ratio**" means the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio, the Class D Interest Coverage Ratio and the Class E Interest Coverage Ratio. 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, in respect of the Rated Notes (other than the Fixed Rate Notes), the second Business Day prior to the commencement of each Accrual Period.

"**Interest Diversion Test**" means the test which will apply as of any Measurement Date on and after the Effective Date which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least equal to 105.0 per cent.

"**Interest Priority of Payments**" means the priorities of payments in respect of Interest Proceeds set out in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Interest Proceeds**" means all amounts paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means any Interest Proceeds received or receivable by the Issuer during the related Due Period to be disbursed pursuant to the Interest Priority of Payments on such Payment Date, together with any other amounts to be disbursed out of the Payment Account as Interest Proceeds on such Payment Date pursuant to Condition 3(j) (*Accounts*).

"**Interest Rate Hedge Agreement**" means each 1992 ISDA Master Agreement (Multicurrency-Cross Border) or 2002 ISDA Master Agreement (or such other ISDA pro forma Master Agreement as may be published by ISDA from time to time) and the schedule relating thereto which is entered into between the Issuer and an Interest Rate Hedge Counterparty, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each confirmation entered into thereunder from time to time in respect of 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 Rating Requirement (as defined in the relevant Hedge Agreement) upon the date of entry into such agreement (or in respect of which Rating Agency Confirmation has been obtained on such date), provided that each such party shall have (including as a matter of Dutch law) the regulatory capacity to enter into derivatives transactions with Dutch residents.

"**Interest Rate Hedge Issuer Termination Payment**" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination of the applicable Interest Rate Hedge Agreement (in whole) or Interest Rate Hedge Transaction (in whole or in part) or in connection with a modification of the applicable Interest Rate Hedge Agreement or Interest Rate Hedge Transaction.

"**Interest Rate Hedge Transaction**" means each interest rate protection transaction entered into under an Interest Rate Hedge Agreement which may be an interest rate swap, an interest rate cap or an interest rate floor transaction.

"Interest Reserve Account" means an interest bearing account described as such in the name of the Issuer with the Account Bank.

"**Interest Smoothing Account**" means the account described as such in the name of the Issuer with the Account Bank to which the Issuer will procure amounts are deposited in accordance with Condition 3(k)(xii) (*Interest Smoothing Account*).

"**Interest Smoothing Amount**" means, in respect of an Interest Smoothing Obligation:

(a) in respect of each Determination Date on or following the occurrence of a Frequency Switch Event, zero;

(b) in respect of each other Determination Date and for so long as any Rated Notes are Outstanding, an amount determined by the Collateral Administrator equal to the amount of interest received during the related Due Period in respect of such Interest Smoothing Obligation, multiplied by:

(i) in respect of an Interest Smoothing Obligation with a Payment Frequency greater than three months and less than or equal to six months, 0.50;

(ii) in respect of an Interest Smoothing Obligation with a Payment Frequency greater than six months and less than or equal to nine months, 0.66; and

(iii) in respect of an Interest Smoothing Obligation with a Payment Frequency greater than nine months, 0.75,

in each case excluding all interest and other amounts received in respect of any Defaulted Obligations save for any Defaulted Obligation Excess Amounts.

"**Interest Smoothing Obligation**" means a Collateral Obligation which pays interest less frequently than quarterly.

"**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 Irish Stock Exchange plc.

"**IRS**" means the United States Internal Revenue Service or any successor thereto.

"**Issue Date**" means 8 September 2015 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Placement Agent and the Collateral Manager and is notified to the Trustee, the Collateral Administrator and the Noteholders in accordance with Condition 16 (*Notices*) and the requirements of the Irish Stock Exchange).

"**Issue Date Collateral Obligation**" means an obligation for which the Issuer (or the Collateral Manager, acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Issue Date, including pursuant to the Warehouse Arrangements.

"**Issuer Dutch Account**" means the account in the name of the Issuer established in The Netherlands for the purposes of, *inter alia*, holding the proceeds of the issued share capital of the Issuer and any Issuer Profit Amounts.

"**Issuer Profit Amount**" means the profit to be retained by the Issuer for Dutch tax purposes.

"**Letters of Credit**" means contracts under which a bank, at the request of a buyer on the sale of specific goods, agrees to pay the beneficiary on the sale contract (such party being the seller in connection with the sale of specific goods), a certain amount against the presentation of specified documents relating to those goods.

"**Maintenance Covenant**" means a covenant to comply with one or more financial covenants during each reporting period (but not more frequently than quarterly), whether or not any specified action has been taken by the parties subject to such covenant; provided that a covenant that otherwise satisfies the definition hereof and only applies when amounts are outstanding under the related loan shall be a Maintenance Covenant.

"**Mandatory Redemption**" means a redemption of the Notes pursuant to and in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests or Interest Diversion Test*).

"**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.

"**Market Value**" means, in respect of a Collateral Obligation (expressed as a percentage of the Principal Balance, or relevant portion, in respect thereof) on any date of determination and as provided by the Collateral Manager to the Collateral Administrator:

(a) the bid price of such Collateral Obligation determined by an independent recognised pricing service selected by the Collateral Manager; 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 Obligation; or

(c) if three such broker-dealer prices are not available, the lower of the bid side prices determined by two such broker-dealers in respect of such Collateral Obligation; or

(d) if two such broker-dealer prices are not available, the bid side price determined by one independent brokerdealer (unless the fair market value thereof determined by the Collateral Manager pursuant to (e)(ii) hereafter would be lower) of such Collateral Obligation; or

(e) if the determinations of such broker-dealers or independent recognised pricing service are not available, then the lower of:

(i) the higher of (x) the Moody's Recovery Rate of such Collateral Obligation; and (y) 70 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 (x) in a manner consistent with reasonable and customary market practice, (y) in a manner consistent with any determination the Collateral Manager applies with respect to any other similar obligation managed by the Collateral Manager, and (z) using the same fair market value as is assigned by the Collateral Manager to such Collateral Obligation for all other purposes, in each case, as notified to the Collateral Administrator on the date of determination thereof,

provided however that:

(A) for the purposes of this definition, "independent" shall mean: (A) that each pricing service and brokerdealer from whom a bid price is sought is independent from each of the other pricing service and brokerdealers from whom a bid price is sought and (B) each pricing service and broker dealer is not an Affiliate of the Collateral Manager; and

(B) if the Collateral Manager is not subject to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 (or other comparable regulation), where the Market Value is determined by the Collateral Manager in accordance with (e)(ii) above, such Market Value shall only be valid for 30 days, after which time if the Market Value cannot be ascertained by a third party the Market Value shall be deemed to be zero.

"**Maturity Amendment**" means with respect to any Collateral Obligation, any waiver, modification, amendment or variance (other than in connection with an insolvency, bankruptcy, reorganisation, debt restructuring or workout of the Obligor thereof) that would extend the Collateral Obligation Stated Maturity of such Collateral Obligation (whether by way of amendment and restatement of the existing facility or novation or substitution on substantially the same terms save for the maturity amendment). For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of the credit facility of which a Collateral Obligation is part, but would not extend the Collateral Obligation Stated Maturity of the Collateral Obligation held by the Issuer, does not constitute a Maturity Amendment.

"**Maturity Date**" means 25 October 2029 or, if such day is not a Business Day, then the next succeeding Business Day, unless it would fall in the following month, in which case it shall be 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;

(c) the date of acquisition of any additional Collateral Obligation following the Effective Date;

(d) each Determination Date;

(e) the date as at which any Report is prepared; and

(f) following the Effective Date, with reasonable (and not less than five Business Days') notice, any Business Day requested by any Rating Agency then rating any Class of Notes Outstanding.

"**Mezzanine Obligation**" means a mezzanine or lower ranking loan obligation or other comparable debt obligation, including any such loan obligation with attached warrants and any such obligation which is evidenced by an issue of notes (other than High Yield Bonds), as determined by the Collateral Manager in its reasonable business judgment, or a Participation therein.

"**Minimum Denomination**" means:

(a) in the case of the Regulation S Notes of each Class, €100,000; and

(b) in the case of the Rule 144A Notes of each Class, €250,000.

"**Monthly Report**" means the monthly report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on such dates as are set forth in the Collateral Management and Administration Agreement, which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Management and Administration Agreement made available via a secured website currently located at https://usbtrustgateway.usbank.com/ (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Placement Agent, the Trustee, the Collateral Manager, the Hedge Counterparties, the Rating Agencies and the Noteholders from time to time) which shall be accessible to the Issuer, the Placement Agent, the Trustee, the Collateral Manager, the Hedge Counterparties and the Rating Agencies and, to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes.

"**Moody's**" means Moody's Investors Service Ltd and any successor or successors thereto.

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

"**Moody's Collateral Value**" means:

(a) for each Defaulted Obligation, the lower of:

(i) its prevailing Market Value, multiplied by its Principal Balance; and

(ii) the relevant Moody's Recovery Rate, multiplied by its Principal Balance; or

(b) in the case of any other applicable Collateral Obligation, the relevant Moody's Recovery Rate or, if the Moody's Recovery Rate cannot be determined, its prevailing Market Value, in either case multiplied by its Principal Balance.

"**Moody's Rating**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Moody's Test Matrix**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding, 25 October 2017 or, if such day is not a Business Day, then the next succeeding Business Day, unless it would fall in the following month, in which case it shall be the immediately preceding Business Day.

"**Non-Eligible Issue Date Collateral Obligation**" means any Issue Date Collateral Obligations which do not comply with the Eligibility Criteria on the Issue Date.

"**Non-Emerging Market Country**" means (i) any of Australia, Austria, Belgium, Canada, the Channel Islands, Croatia, Czech Republic, Denmark, Finland, France, Germany, Iceland, Republic of Ireland, the Isle of Man, Italy, Japan, Liechtenstein, Luxembourg, The Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, the United States, any other country that is a member of or accedes to the European Union; and (ii) any other country (a) the foreign currency issuer credit rating of which is, at the time of acquisition of the relevant Collateral Obligation, rated 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, rated 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 that is rated below "Aa2") or any other country in respect of which, at the time of acquisition of the relevant Collateral Obligation, Rating Agency Confirmation is received.

"**Non-Euro Obligation**" means any Collateral Obligation which is denominated in United States dollars, pounds sterling, Australian dollars, Swedish kronor, Norwegian kroner, Danish kroner or Swiss francs that, as of its date of purchase, satisfies each of the Eligibility Criteria (save for that relating to its currency of denomination).

"**Note Payment Sequence**" means the application of Interest Proceeds or Principal Proceeds, as applicable, in accordance with the relevant Priorities of Payments in the following order:

(a) *firstly*, to the redemption of the Class A Notes (on a *pro rata* and *pari passu* 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* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class B Notes have been fully redeemed;

(c) *thirdly*, to the redemption of the Class C Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class C Notes have been fully redeemed;

(d) *fourthly*, to the redemption of the Class D Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class D Notes have been fully redeemed;

(e) *fifthly*, to the redemption of the Class E Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class E Notes have been fully redeemed; and

(f) *sixthly*, to the redemption of the Class F Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class F Notes have been fully redeemed,

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following breach of any Coverage Test, the Note Payment Sequence shall terminate immediately after the paragraph above that refers to the Class of Notes to which such Coverage Test relates.

"**Note Tax Event**" means, at any time:

(a) the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final) which results in (or would on the next Payment Date result in) any payment of principal or interest on the Notes becoming subject to any withholding tax other than:

(i) a payment in respect of Deferred Interest becoming subject to any withholding tax;

(ii) withholding tax in respect of FATCA; and

(iii) by reason of the failure by the relevant Noteholder or beneficial owner to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with The Netherlands, the United States or other applicable taxing authority; or

(b) UK or U.S. governmental, state or federal tax authorities impose net income, profits or similar tax upon the Issuer.

"**Noteholders**" means the several persons in whose name the Notes are registered from time to time in accordance with and subject to their terms and the terms of the Trust Deed, and "holder" (in respect of the Notes) shall be construed accordingly.

"**Obligor**" means, in respect of a Collateral Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Collateral Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Collateral Obligation, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration (whether by way of amendment and restatement of the existing facility, novation, substitution or other method), (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 Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**Outstanding**" means in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class that have been issued and not redeemed or purchased and cancelled by the Issuer, as further defined in the Trust Deed.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, Class C Par Value Ratio, Class D Par Value Ratio or the Class E Par Value Ratio (as applicable).

"**Par Value Test**" means the Class A/B Par Value Test, Class C Par Value Test, Class D Par Value Test or the Class E Par Value Test (as applicable).

"**Participation**" means an interest in a Collateral Obligation acquired indirectly by the Issuer by way of participation from a Selling Institution which shall include, for the purposes of the Bivariate Risk Table set forth in the Collateral Management and Administration Agreement, Intermediary Obligations.

"**Participation Agreement**" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"**Payment Account**" means the account described as such in the name of the Issuer held with the Account Bank to which amounts shall be transferred by the Account Bank on the instructions of the Collateral Administrator on the Business Day prior to each Payment Date out of certain of the other Accounts in accordance with Condition 3(j) (*Accounts*) and out of which the amounts required to be paid on each Payment Date pursuant to the Priorities of Payments shall be paid.

"**Payment Date**" means:

(a) 25 January, 25 April, 25 July and 25 October at any time prior to the occurrence of a Frequency Switch Event; and

(b) 25 January and 25 July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July) or 25 April and 25 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October), following the occurrence of a Frequency Switch Event,

in each case, in each year commencing on 25 April 2016 up to and including the Maturity Date and any Redemption Date, provided that if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Payment Date Report**" means the report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on the Business Day preceding the related Payment Date and made available via a secured website currently located at https://usbtrustgateway.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Placement Agent, the Trustee, the Hedge Counterparties, the Rating Agencies and the Noteholders from time to time) which shall be accessible to the Issuer, the Placement Agent, the Trustee, the Collateral Manager, the Hedge Counterparties and the Rating Agencies and to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes.

"**Payment Frequency**" means, in respect of an Interest Smoothing Obligation, the number of months between interest payments (without taking into account any adjustment of payment dates for non-business days) in relation to such Interest Smoothing Obligation.

"**Permitted Use**" has the meaning given to it in Condition 3(k)(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, including without limitation by way of interest capitalising on such security as principal thereon but excluding current cash interest, provided that, for the avoidance of doubt, Mezzanine Obligations shall not constitute PIK Securities.

"**Placement Agent**" means Goldman Sachs International.

"**Placement Agreement**" means the placement agreement between the Issuer and the Placement Agent in respect of the initial placement of the Notes dated on or about the Issue Date.

"**Plan Asset Regulation**" means 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, as they may be amended or modified.

"**Portfolio**" means the Collateral Obligations, Collateral Enhancement Obligations, Exchanged Securities, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests each as defined in the Collateral Management and Administration Agreement.

"**Post-Acceleration Priority of Payments**" means the priority of payments set out in Condition 11 (*Enforcement*).

"**Presentation Date**" means a day which (subject to Condition 12 (*Prescription*)):

(a) is a Business Day;

(b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and

(c) is a Business Day in the place in which the account specified by the payee is located.

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

"**Principal Amount Outstanding**" means in relation to any Class of Notes and at any time, the aggregate principal amount outstanding under such Class of Notes at that time, including, in the case of the Class 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 (i) the Reinvestment Target Par Balance, (ii) voting rights attributable to the Class C Notes, Class D Notes, Class E Notes and Class F Notes, as applicable, and (iii) the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*); and provided that solely in connection with a CM Removal Resolution or a CM Replacement Resolution, no Notes held in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable 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.

"**Principal Balance**" means, with respect to any Collateral Obligation, Eligible Investment, Collateral Enhancement Obligation or Exchanged Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Obligation and a PIK Security, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Security), *provided however that*:

(a) the Principal Balance of any Revolving Obligation and Delayed Drawdown Collateral Obligation as of any date of determination, shall be the outstanding principal amount of such Revolving Obligation or Delayed Drawdown Collateral Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Obligation or Delayed Drawdown Collateral Obligation;

(b) the Principal Balance of each Exchanged Security and each Collateral Enhancement Obligation, shall be deemed to be zero;

(c) the Principal Balance of (i) any Non-Euro Obligation subject to a Currency Hedge Transaction shall be an amount equal to the Euro equivalent of the Principal Balance 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 Principal Balance of the Non-Euro Obligation, converted into Euro at the Spot Rate;

(d) the Principal Balance of any cash shall be the amount of such cash;

(e) if in respect of any Corporate Rescue Loan either (A) (x) no Moody's Rating is available or (y) no credit estimate assigned to it by Moody's, in each case, within 90 days following the

Issuer entering into a binding commitment to acquire such Corporate Rescue Loan, then the Principal Balance of such Corporate Rescue Loan shall be its Moody's Collateral Value unless and until a Moody's Rating or credit estimate is available or assigned by Moody's or (B) (x) no Fitch Rating is available or (y) no credit estimate assigned to it by Fitch, in each case, within 90 days following the Issuer entering into a binding commitment to acquire such Corporate Rescue Loan, then the Principal Balance of such Corporate Rescue Loan shall be its Fitch Collateral Value unless and until a Fitch Rating or credit estimate is available or assigned by Fitch, provided that if both paragraphs (A) and (B) apply then the Principal Balance of such Corporate Rescue Loan shall be the lower of its Moody's Collateral Value and its Fitch Collateral Value;

(f) the Principal Balance of Defaulted Obligations shall be excluded for the purposes of calculating the Collateral Quality Tests; and

(g) the Principal Balance of a Defaulted Obligation shall be its Market Value for the purposes of calculating the Portfolio Profile Tests.

"**Principal Priority of Payments**" means the priority of payments in respect of Principal Proceeds set out in Condition 3(c)(ii) (*Application of Principal Proceeds*).

"**Principal Proceeds**" means all amounts payable out of, paid out of, payable into or paid into the Principal Account from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) or Condition 11(b) (*Enforcement*). For the avoidance of doubt, amounts received as principal proceeds in connection with an Offer for the exchange of a Collateral Obligation for a new or novated obligation or substitute obligation will not constitute Principal Proceeds and will not be deposited into the Principal Account to the extent such principal proceeds are required to be applied as consideration for the new or novated obligation or substitute obligation (subject to the Restructured Obligation Criteria being satisfied).

"**Priorities of Payments**" means:

(a) save for (i) in connection with any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*), (ii) in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption following Note Tax Event*) or (iii) following acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*), which, if such acceleration is by way of the giving of an actual or deemed Acceleration Notice which, if applicable, has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Event of Default*), in the case of Interest Proceeds, the Interest Priority of Payments and in the case of Principal Proceeds, the Principal Priority of Payments; and

(b) in the event of any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) or following acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*), which, if such acceleration is by way of the giving of an actual or deemed Acceleration Notice which, if applicable, has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Event of Default*), the Post-Acceleration Priority of Payments.

"**Project Finance Loan**" means a loan obligation under which the obligor is obliged to make payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of payments) on revenues arising from infrastructure assets, including, without limitation:

(a) the sale of products, such as electricity, water, gas or oil, generated by one or more infrastructure assets in the utility industry by a special purpose entity; and

(b) fees charged in respect of one or more highways, bridges, tunnels, pipelines or other infrastructure assets by a special purpose entity, and

in each case, the sole activity of such special purpose entity is the ownership and/or management of such asset or assets and the acquisition and/or development of such asset by the special purpose entity was effected primarily with the proceeds of debt financing made available to it on a limited recourse basis.

"**Purchased Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any 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 and PIK Security, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation or PIK Security 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 and/or amounts advanced under the Warehouse Arrangements.

"**QIB**" means a Person who is a "qualified institutional buyer" as defined in Rule 144A.

"**QIB/QP**" means a Person who is both a QIB and a QP.

"**Qualified Purchaser**" and "**QP**" mean a Person who is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act.

"**Rated Notes**" means the Class A 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 Fitch and Moody's, provided that if at any time Fitch and/or Moody's ceases to provide rating services, "Rating Agencies" shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer (a "**Replacement Rating Agency**") and "**Rating Agency**" means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Collateral Management and Administration Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to "Rating Agencies" shall be construed accordingly. Any rating agency shall cease to be a Rating Agency if, at any time, it ceases to assign a rating in respect of any Class of Rated Notes.

"**Rating Agency Confirmation**" means, with respect to any specified action, determination or appointment, receipt by the Issuer and/or the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has, as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, provided that such Rating Agency has, as at the relevant date assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action, determination or appointment if (i) such Rating Agency has declined a request from the Trustee, the Collateral Manager or the Issuer to review the effect of such action, determination or appointment or (ii) such Rating Agency announces (publicly or otherwise) or confirms to the Trustee, the Collateral Manager or the Issuer that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment or (iii) such Rating Agency has ceased to engage in the business of providing ratings or has made a public statement to the effect that it will no longer review events or circumstances of the type requiring a Rating Agency Confirmation under any Transaction Document or these Conditions for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by such Rating Agency.

"**Rating Confirmation Plan**" means a plan provided by the Collateral Manager (acting on behalf of the Issuer) to the Rating Agencies setting forth the intended timing and manner of acquisition of

additional Collateral Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, as further described and as defined in the Collateral Management and Administration Agreement.

"**Rating Requirement**" means:

(a) in the case of the Account Bank:

(i) a long-term issuer default rating of at least "A" and a short-term issuer default rating of at least "F1" by Fitch; and

(ii) a long-term senior unsecured issuer credit rating of at least "A3" by Moody's; and;

(b) in the case of the Custodian or any sub-custodian appointed thereby:

(i) a long-term issuer default rating of at least "A" and a short-term issuer default rating of at least "F1" by Fitch; and

(ii) a long-term senior unsecured issuer credit rating of at least "A3" by Moody's;

(c) in the case of any Hedge Counterparty, the ratings requirement(s) as set out in the relevant Hedge Agreement;

(d) in the case of a Selling Institution with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table; or in each case, (x) such other rating or ratings as may be agreed by the relevant Rating Agency as would maintain the then rating of the Rated Notes, and (y) if any of the 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; and

(e) in the case of the Principal Paying Agent:

(i) a long-term senior unsecured issuer credit rating of at least "Baa3" by Moody's; or

(ii) if the Principal Paying Agent has no long-term senior unsecured issuer credit rating by Moody's, a short-term senior unsecured issuer credit rating of at least "P-3" by Moody's.

"**Record Date**" means:

(a) in respect of Notes represented by a Definitive Certificate, the fifteenth day before the relevant due date for payment of principal and interest in respect of such Note; and

(b) in respect of Notes 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 Note.

"**Redemption Date**" means a Payment Date specified for a redemption of the Notes of a Class pursuant to Condition 7 (*Redemption and Purchase*) or the date on which the Notes of such Class are accelerated pursuant to Condition 10 (*Events of Default*).

"**Redemption Determination Date**" has the meaning given thereto in Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

"**Redemption Notice**" means a redemption notice in the form available from the Transfer Agent which has been duly completed by a Noteholder and which specifies, amongst other things, the applicable Redemption Date.

"**Redemption Price**" means, when used with respect to:

(a) any Subordinated Note, such Subordinated Note's *pro rata* share (calculated in accordance with paragraph (CC) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payments; and

(b) any Rated 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, 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 (to the extent such amounts are ascertainable by the Collateral Administrator or have been provided to the Collateral Administrator by the relevant Secured Party) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Post-Acceleration Priority of Payments.

"**Reference Banks**" has the meaning given thereto in paragraph (2) of Condition 6(f)(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 have been incurred as a direct result of a Refinancing, as determined by the Collateral Manager.

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency and Account Bank Agreement.

"**Regulated Activities**" means any investment management business in The Netherlands.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to non-U.S. Persons outside of the United States in reliance on Regulation S.

"**Reinvestment Criteria**" means, during the Reinvestment Period, the criteria set out under "*During the Reinvestment Period*" and following the expiry of the Reinvestment Period, the criteria set out under "*Following the Expiry of the Reinvestment Period*", each in Schedule 5 (*Reinvestment Criteria*) of the Collateral Management and Administration Agreement.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (i) the end of the Due Period preceding the Payment Date falling in October 2019 or, if such day is not a Business Day, then the next succeeding Business Day, unless it would fall in the following month, in which case it shall be the immediately preceding Business Day; (ii) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that such Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of Event 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, an amount equal to:

(a) the Target Par Amount; *minus*

(b) the amount of any reduction in the Principal Amount Outstanding of the Notes; *plus*

(c) the Principal Amount Outstanding of any additional Notes issued pursuant to Condition 17 (*Additional Issuances*) or, if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Notes (after giving effect to such issuance of additional Notes).

"**Replacement Currency Hedge Agreement**" means any Currency Hedge Agreement entered into by the Issuer upon termination of an existing Currency Hedge Agreement on substantially the same terms as such existing Currency Hedge Agreement, that preserves for the Issuer the economic effect of the terminated Currency Hedge Agreement and all Currency Hedge Transactions thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Replacement Hedge Agreements**" means each Replacement Currency Hedge Agreement and each Replacement Interest Rate Hedge Agreement and "**Replacement Hedge Agreement**" means any of them.

"**Replacement Hedge Transaction**" means any replacement Interest Rate Hedge Transaction or Currency Hedge Transaction entered into under a Replacement Interest Rate Hedge Agreement or Replacement Currency Hedge Agreement (as applicable) (or under another existing Interest Rate Hedge Agreement or Currency Hedge Agreement with another Hedge Counterparty) in respect of the relevant terminated Interest Rate Hedge Transactions or Currency Hedge Transactions under the relevant terminated Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable).

"**Replacement Interest Rate Hedge Agreement**" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement in full on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Hedge Transactions outstanding thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Report**" means each Monthly Report and Payment Date Report.

"**Resolution**" means any Ordinary Resolution, Extraordinary Resolution or Written Resolution, as the context may require.

"**Restricted Trading Period**" means any period during which the Rated Notes are Outstanding and one or more of the following has occurred: (a) the Fitch rating of the Class A Notes is withdrawn (and not reinstated or upgraded) or is one or more sub categories below its rating on the Issue Date; or (b) the Moody's rating of the Class A Notes is withdrawn (and not reinstated or upgraded) or is one or more sub categories below its rating on the Issue Date, provided that in either case such period will not be a Restricted Trading Period if (i) so determined by the Issuer with the consent of the Controlling Class acting by way of Ordinary Resolution, or (ii) each of the Interest Diversion Test, the Par Value Tests and the Collateral Quality Tests are passing; **provided further that** no Restricted Trading Period shall restrict any sale, purchase or acquisition 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, purchase or acquisition has settled.

"**Restructured Obligation**" means a Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date.

"**Restructured Obligation Criteria**" means the restructured obligation criteria specified in the Collateral Management and Administration Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"**Restructuring Date**" means the date a restructuring of a Collateral Obligation becomes binding on the holders thereof provided if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

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

"**Retention Notes Purchase Agreement**" means the note purchase agreement relating to the Retention Notes between the Issuer and the Collateral Manager dated 8 September 2015.

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

"**Retention Undertaking Letter**" means the letter from the Collateral Manager dated the Issue Date, as the same may be amended, supplemented and/or restated from time to time, addressed to the Issuer, the Collateral Administrator, the Trustee, the Arranger and the Placement Agent pursuant to which the Collateral Manager will make certain undertakings and agreements in respect of the Retention Requirements.

"**Revolving Obligation**" means any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines, unfunded commitments under specific facilities and other similar loans and investments) that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the Issuer; but any such Collateral Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"**Rule 144A**" means Rule 144A of the Securities Act.

"**Rule 144A Notes**" means Notes offered for sale within the United States or to U.S. Persons in reliance on Rule 144A.

"**Rule 17g-5**" means Rule 17g-5 of the Exchange Act.

"**S&P**" means Standard & Poor's Credit Market Services Europe Limited and any successor or successors thereto.

"**Sale Proceeds**" means:

(a) all proceeds received upon the sale of any Collateral Obligation or Exchanged Security (other than (i) any Non-Euro Obligation with a related Currency Hedge Transaction) excluding any sale proceeds representing accrued interest designated as Interest Proceeds by the Collateral Manager, provided that no such designation may be made in respect of: (i) Purchased Accrued Interest; or (ii) proceeds that represent deferred interest accrued in respect of any PIK Security; or (iii) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until such amounts represent Defaulted Obligation Excess Amounts and **provided further that** in the case of any Non-Euro Obligation which is not the subject of a related Currency Hedge Transaction, any proceeds shall be converted into Euros at the Spot Rate;

(b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, all amounts in Euros (or other currencies, if applicable) received by the Issuer from the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Obligation as described in paragraph (a) above, under the related Currency Hedge Transaction; and

(c) in the case of any Collateral Enhancement Obligation or Exchanged Security, all proceeds and any fees received upon the sale of such Collateral Enhancement Obligation or Exchanged Security (as applicable),

in each case net of any amounts expended by or payable by the Issuer or the Collateral Administrator (on behalf of the Issuer) in connection with sale, disposition or termination of such Collateral Obligation.

"**Scheduled Periodic Currency Hedge Counterparty Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Currency Hedge Counterparty to the Issuer pursuant to the terms of such Currency Hedge Agreement, excluding any Hedge Counterparty Termination Payment.

"**Scheduled Periodic Currency Hedge Issuer Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Currency Hedge Counterparty pursuant to the terms of such Currency Hedge Agreement, excluding any Currency Hedge Issuer Termination Payment.

"**Scheduled Periodic Hedge Counterparty Payment**" means a Scheduled Periodic Currency Hedge Counterparty Payment or a Scheduled Periodic Interest Rate Hedge Counterparty Payment.

"**Scheduled Periodic Hedge Issuer Payment**" means a Scheduled Periodic Currency Hedge Issuer Payment or a Scheduled Periodic Interest Rate Hedge Issuer Payment.

"**Scheduled Periodic Interest Rate Hedge Counterparty Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Hedge Counterparty to the Issuer pursuant to the terms of such Interest Rate Hedge Agreement, excluding any Hedge Counterparty Termination Payment.

"**Scheduled Periodic Interest Rate Hedge Issuer Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Hedge Agreement, excluding any Interest Rate Hedge Issuer Termination Payment.

"**Scheduled Principal Proceeds**" means:

(a) in the case of any Collateral Obligation (other than Non-Euro Obligations with a related Currency Hedge Transaction), scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments);

(b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, scheduled final and interim payments in the nature of principal payable to the Issuer by the applicable Currency Hedge Counterparty under the related Currency Hedge Transaction;

(c) in the case of any Hedge Agreements, any Hedge Replacement Receipts and Hedge Counterparty Termination Payments transferred from the Hedge Termination Account into the Principal Account and any amounts transferred from a Counterparty Downgrade Collateral Account to the Principal Account in accordance with Condition 3(k)(v) (*Counterparty Downgrade Collateral Accounts*).

"**Second Lien Loan**" means a Collateral Obligation that is a debt 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, as determined by the Collateral Manager in its reasonable commercial judgment, or a Participation therein.

"**Secured Obligations**" means all present and future obligations and liabilities (whether actual or contingent) of the Issuer to each Secured Party, as further described in the Trust Deed.

"**Secured Party**" means each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Subordinated Noteholders, the Placement Agent, the Collateral Manager, the Trustee, any Receiver, agent, delegate or other appointee of the Trustee under the Trust Deed, the Agents, each Hedge Counterparty, the Directors and the Foundation and "**Secured Parties**" means any two or more of them as the context so requires.

"**Secured Senior Loan**" means a Collateral Obligation (which may be a Revolving Obligation or a Delayed Drawdown Collateral Obligation) that is a senior secured loan obligation as determined by the Collateral Manager in its reasonable business judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 80.00 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (a) above provided that 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 in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Secured Senior Note**" means a Collateral Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Secured Senior Loan) as determined by the Collateral Manager in its reasonable judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 80.00 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 share referred to in (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 in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Secured Senior Obligation**" means a Secured Senior Note or a Secured Senior Loan.

"**Secured Senior RCF Percentage**" means, in relation to a Secured Senior Note or a Secured Senior Loan, 15 per cent., or a higher percentage if both (i) Rating Agency Confirmation and (ii) consent of the Controlling Class acting by way of Ordinary Resolution have been obtained.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Selling Institution**" means an institution from whom (i) a Participation is taken and satisfies the applicable Rating Requirement or (ii) an Assignment is acquired.

"**Senior Expenses Cap**" means, in respect of each Payment Date the sum of:

(a) €275,000 per annum (pro rated for the Due Period for the first Payment Date on the basis of a 360-day year and the actual number of days elapsed in such Due Period and thereafter on the basis of a 360 day year comprised of twelve 30-day months with each anniversary of the first Payment Date being the start of such 360 day period); and

(b) 0.0235 per cent. per annum (pro rated for the Due Period for the first Payment Date on the basis of a 360-day year and the actual number of days elapsed in such Due Period and thereafter on the basis of a 360 day year and the actual number of days elapsed in such Due Period with each anniversary of the first Payment Date being the start of such 360 day 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 for the avoidance of doubt the Senior Expenses Cap shall include any applicable VAT on any expense expressed to be subject to the Senior Expenses Cap and **provided further that** if the amount of Trustee Fees and Expenses and Administrative Expenses paid, prior to the occurrence of a Frequency Switch Event, on the three immediately preceding Payment Dates or, following the occurrence of a Frequency Switch Event, on the immediately preceding Payment Date or during the related Due Period(s) is less than the stated Senior Expenses Cap, the excess shall be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, any such excess may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"**Senior Management Fee**" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Collateral Management and Administration Agreement in an amount, as determined by the Collateral Administrator, equal (exclusive of any VAT) to 0.15 per cent. per annum (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the 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.

"**Senior Obligation**" means a Collateral Obligation that is a Secured Senior Obligation, an Unsecured Senior Obligation or a Second Lien Loan, as determined by the Collateral Manager in its reasonable commercial judgment.

"**Similar Law**" means any federal, state, local or non-U.S. law that is substantially 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 Articles 254 and Article 256 of Commission Delegated Regulation (EU) 2015/35 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 in consultation and agreement with the Collateral Manager on the date of calculation.

"**Step-Down Coupon Security**" means a security (other than a Floor Obligation) the Underlying Instruments of which contractually mandates decreases in coupon payments or spread over time (in each case other than decreases that are conditioned upon an improvement in the creditworthiness of the obligor or changes in a pricing grid or based on improvements in financial ratios or other similar coupon or spread reset features), provided that a security providing for payment of a constant rate of interest at all times after the date of the binding commitment to purchase of such security by the Issuer shall not constitute a Step-Down Coupon Security.

"**Step-Up Coupon Security**" means a security: (i) which does not pay interest over a specified period of time ending prior to its maturity, but which does provide for the payment of interest after the expiration of such specified period; or (ii) the interest rate of which increases over a specified period of time other than due to the increase of the floating rate index applicable to such security, provided that a security providing for payment of a constant rate of interest at all times after the date of the binding commitment to purchase of such security by the Issuer shall not constitute a Step-Up Coupon Security.

"**Structured Finance Security**" means any debt security which:

(a) 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;

(b) is issued by a specially created investment vehicle established for the purposes of issuing such debt security and acquiring such assets; and

(c) payments on such debt security depend primarily on the cash flows generated by such assets and other rights designed to assure timely payment, such as a liquidity facility or other credit enhancement,

including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar asset backed security.

"**Subordinated Management Fee**" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of the immediately preceding Due Period, pursuant to the Collateral Management and Administration Agreement equal (exclusive of any VAT) to 0.35 per cent. per annum (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the 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.

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

"**Subordinated Notes**" have the meaning ascribed to them in the first paragraph of these Conditions.

"**Subordinated Notes Initial Offer Price Percentage**" means 95.0 per cent.

"**Substitute Collateral Obligation**" means a Collateral Obligation purchased in substitution for a previously held Collateral Obligation (whether purchased with Sale Proceeds or other Principal Proceeds in respect of such previously held Collateral Obligation) pursuant to the terms of the Collateral Management and Administration Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Supplemental Reserve Account**" means an interest bearing account in the name of the Issuer, so entitled and held with the Account Bank.

"**Supplemental Reserve Amount**" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds deposited to the Supplemental Reserve Account on such Payment Date in accordance with paragraph (AA) the Interest Priority of Payments, at the sole discretion of the Collateral Manager, which amounts shall not exceed (i) €2,500,000 in aggregate for any particular Payment Date and (ii) an aggregate amount for all applicable Payment Dates of €15,000,000.

"**Swapped Non-Discount Obligation**" means any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Obligation (the "**Original Obligation**") that was not a Discount Obligation at the time of its purchase and which will not be considered a Discount Obligation so long as such purchased Collateral Obligation:

(a) is purchased or committed to be purchased within 20 Business Days of such sale of the Original Obligation;

(b) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the Original Obligation; and

(c) is purchased at a price not less than 50 per cent. of the Principal Balance thereof;

provided however that:

(i) to the extent the Aggregate Principal Balance of all Swapped Non-Discount Obligations held by the Issuer as of the relevant date of determination exceeds 5.0 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) 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);

(iii) in the case of a Collateral Obligation that is an interest (including a Participation) in a Floating Rate Collateral Obligation, such Collateral Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (determined in accordance with paragraphs (a) to (d) of the definition thereof) (expressed as a percentage of its Principal Balance) for such Collateral Obligation on each day during any period of 20 consecutive Business Days since the acquisition of such Collateral Obligation equals or exceeds 90 per cent.;

(iv) in the case of a Collateral Obligation that is an interest in a Fixed Rate Collateral Obligation, such Collateral Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (determined in accordance with paragraphs (a) to (d) of the definition thereof) (expressed as a percentage of its Principal Balance) for such Collateral Obligation on each day during any period of 20 consecutive Business Days since the acquisition of such Collateral Obligation equals or exceeds 85 per cent.; and

(v) in determining which of the Swapped Non-Discount Obligations shall be included in the excess pursuant to sub-paragraphs (i) or (ii) above, Swapped Non-Discount Obligations in respect of which the Issuer entered into a binding commitment to purchase first shall be deemed to constitute the excess.

"**Synthetic Security**" means a security or swap transaction (other than a Participation) that has payments of interest or principal on a reference obligation or the credit performance of a reference obligation.

"**Target Par Amount**" means €400,000,000.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer system (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**Transaction Documents**" means the Trust Deed (including the Notes and these Conditions), the Agency and Account Bank Agreement, the Placement Agency Agreement, the Collateral Management and Administration Agreement, each Hedge Agreement, each Collateral Acquisition Agreement, the Participation Agreements, the Issuer Management Agreement, the Warehouse Termination Agreement, the Retention Undertaking Letter, the Retention Notes Purchase Agreement and any document supplemental thereto or issued in connection therewith.

"**Trustee Fees and Expenses**" means the fees and expenses (including, without limitation, legal fees) and all other amounts payable to the Trustee or to any Receiver, agent, delegate or other appointee of the Trustee pursuant to the Trust Deed or any other Transaction Document from time to time plus any applicable VAT thereon (and, to the extent that such amounts relate to costs and expenses, such VAT to be limited to irrevocable VAT) payable under the Trust Deed or any other Transaction Document, including indemnity payments and, in respect of any Refinancing, any fees, costs, charges and expenses (including, without limitation, legal fees) properly incurred by the Trustee.

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Collateral Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Obligation or under which the holders or creditors under such Collateral Obligation are the beneficiaries.

"**Unfunded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Obligation or Delayed Drawdown Collateral Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

"**Unfunded Revolver Reserve Account**" means the account of the Issuer established and maintained with the Account Bank pursuant to the Agency and Account Bank Agreement, amounts standing to the credit of which, subject to certain conditions, may be used to fund in full the amount of any unfunded commitments or unfunded liabilities from time to time, in relation to Delayed Drawdown Collateral Obligations and Revolving Obligations.

"**United States Person**" has the meaning given to it in Section 7701(a)(30) of the Code.

"**Unsaleable Assets**" means (a)(i) a Defaulted Obligation, (ii) an Exchanged Security or (iii) an obligation received in connection with an Offer as part of 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 a Market Value multiplied by its Principal Balance of less than €1,000 and, in the case of each of (a) and (b), with respect to which the Collateral Manager certifies to the Trustee that (x) it has made commercially reasonable endeavours to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

"**Unscheduled Principal Proceeds**" (i) with respect to any Collateral Obligation (other than a Non-Euro Obligation with a related Currency Hedge Transaction), principal proceeds received by the Issuer prior to the Collateral Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Obligation) and (ii) with respect to any Non-Euro Obligation with a related Currency Hedge Transaction any amounts in Euro payable to the Issuer by the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of any unscheduled principal proceeds specified in (i) above received in respect of any Collateral Obligation under the related Currency Hedge Transaction.

"**Unsecured Senior Obligation**" means a Collateral Obligation that:

(a) is an obligation senior to any unsecured, subordinated obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgment; and

(b) is not secured (i) by assets of the Obligor or guarantor thereof if and to the extent that the granting of security over assets is permissible under applicable law or (ii) by 80.00 per cent. of the equity interests in the stock of an entity owning such fixed assets,

"**Unused Proceeds Account**" means an interest bearing account in the name of the Issuer with the Account Bank into which the Issuer will procure amounts are deposited in accordance with Condition 3(k)(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 and related arrangements entered into by the Issuer prior to the Issue Date to finance the acquisition of Collateral Obligations prior to the Issue Date.

"**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 and Administration Agreement.

"**Written Resolution**" means any Resolution of the Noteholders of the relevant Class in writing, as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**Zero Coupon Security**" means a security (other than a Step-Up Coupon Security and a PIK Security) that, at the time of determination, does not provide for periodic payments of interest.

2. Form and Denomination, Title, Transfer and Exchange

(a) *Form and Denomination*

The Notes of each Class may be issued in (i) global, certificated, fully registered form, without interest coupons, talons and principal receipts attached or (ii) definitive, certificated, fully registered form, without interest coupons, talons and principal receipts attached, in each case in the applicable Minimum Denomination and integral multiples of any Authorised Integral Amount in excess thereof. A Global Certificate or Definitive Certificate (as applicable) will be issued to each Noteholder in respect of its registered holding of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded in the Register which the Issuer shall procure to be kept by the Registrar.

(b) *Title to the Registered Notes*

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency and Account Bank Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder. The Register shall at all times be kept and maintained outside the United Kingdom and no copy of the Register shall be created, kept or maintained in the United Kingdom.

(c) *Transfer*

In respect of Notes represented by a Definitive Certificate, one or more such Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or the Transfer Agent, of the Definitive Certificate representing such Note(s) to be transferred, with the form of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

Interests in a Global Certificate will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

(d) *Delivery of New Certificates*

Each new Definitive Certificate to be issued pursuant to Condition 2(c) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the

specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be sent by courier, at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d) (*Delivery of New Certificates*), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) *Transfer Free of Charge*

Transfer of Notes and Global Certificates or Definitive Certificates (as applicable) representing such Notes in accordance with these Conditions on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(f) *Closed Periods*

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

(g) *Regulations Concerning Transfer and Registration*

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including without limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal or regulatory requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee and subject to not less than 60 days' notice of any such change having been given to the Noteholders in accordance with Condition 16 (*Notices*)), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations may be inspected at the offices of the Transfer Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) *Forced Transfer of Rule 144A Notes*

If the Issuer determines at any time that a U.S. holder of Rule 144A Notes is not a QIB/QP (any such person, a "**Non-Permitted Noteholder**"), the Issuer may direct such holder to sell or transfer its Notes outside the United States to a non-U.S. Person or within the United States to a U.S. Person that is a QIB/QP and meets the other requirements set forth in the Trust Deed within 30 days following receipt 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 Noteholder and each other person in the chain of title from the permitted Noteholder to the Non-Permitted Noteholder by its acceptance of an interest in the Rule 144A Notes agrees to co-operate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and none of the Issuer, the Trustee and the Registrar shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP or a non- U.S. Person. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such a certification is requested is not a QIB/QP or a non-U.S. Person. Furthermore, the Issuer reserves the right to refuse to honour a transfer of beneficial

interests in a Rule 144A Note to any Person who is not either a non-U.S. Person or a U.S. Person that is a QIB/QP.

(i) *Forced Transfer pursuant to ERISA*

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person or Similar Law representation or other representation relating to a governmental, church, non-US or other plan that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation set out in the Plan Asset Regulation (any such Noteholder a "**Non-Permitted ERISA Noteholder**"), the Non-Permitted ERISA Noteholder may be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser (selected by the Issuer) at a price to be agreed between the Issuer (exercising its sole discretion) and such eligible purchaser at the time of sale, subject to the transfer restrictions set out in the Trust Deed. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer, to the extent required to effect such transfers. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Noteholder will receive the balance, if any.

(j) *Forced Transfer pursuant to FATCA*

Each Noteholder (which, for the purposes of this Condition 2(j) (*Forced sale pursuant to FATCA*) may include a nominee or beneficial owner of a Note) will agree to provide the Issuer and its agents with any correct, complete and accurate forms or certifications that may be required for the Issuer to comply with FATCA and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the Noteholder fails to provide such forms or certifications, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to tax under FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to the Noteholder as compensation for any taxes to which the Issuer is subject under FATCA as a result of such failure or the Noteholder's ownership of Notes, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or the Noteholder's ownership of Notes, the Issuer will have the right to compel the Noteholder to sell its Notes, and, if the Noteholder does not sell its Notes within 10 Business Days after notice from the Issuer or any agent of the Issuer, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any costs, charges, and any taxes incurred by the Issuer in connection with such sale) to the Noteholder as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. For the avoidance of doubt, the Issuer shall have the right to sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA.

(k) *Forced Transfer mechanics*

In order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*), the Issuer may repay any affected Notes at par value and issue replacement Notes and the Issuer, the Trustee and the Agents (each at the expense of the Issuer) shall work with the Clearing Systems to take such action as may be necessary to effect such repayment and issue of replacement Notes.

(l) *Registrar authorisation*

The Noteholders 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 Transfer pursuant to FATCA*) above without the need for any further express instruction from any affected Noteholder. The Noteholders shall be bound by any actions taken by the Registrar, the Clearing Systems or any other party taken pursuant to the above-named Conditions.

(m) *Exchange of CM Voting Notes / CM Non-Voting Exchangeable Notes / CM Non-Voting Notes*

(i) Each Class A Note, each Class B Note, each Class C Note and each Class D Note may be in the form of a CM Voting Note, a CM Non-Voting Exchangeable Note or a CM Non-Voting Note.

(ii) CM Voting Notes will carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of voting on all matters in respect of which the Noteholders have a right to vote, including, where such CM Voting Notes are the Controlling Class, any CM Replacement Resolutions and/or any CM Removal Resolutions. CM Non-Voting Exchangeable Notes and CM Non-Voting Notes will not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on, any CM Removal Resolutions or any CM Replacement Resolutions but will carry a right to vote on and be counted in respect of all other matters in respect of which the Noteholders have a right to vote and be counted.

(iii) Class A-1 CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-1 CM Non-Voting Exchangeable Notes; or (b) Class A-1 CM Non-Voting Notes. Class A-1 CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-1 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (b) Class A-1 CM Non-Voting Notes. Class A-1 CM Non-Voting Notes shall not be exchangeable at any time into Class A-1 CM Voting Notes or Class A-1 CM Non-Voting Exchangeable Notes.

(iv) Class A-2 CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-2 CM Non-Voting Exchangeable Notes; or (b) Class A-2 CM Non-Voting Notes. Class A-2 CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-2 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (b) Class A-2 CM Non-Voting Notes. Class A-2 CM Non-Voting Notes shall not be exchangeable at any time into Class A-2 CM Voting Notes or Class A-2 CM Non-Voting Exchangeable Notes.

(v) Class A-3 CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-3 CM Non-Voting Exchangeable Notes; or (b) Class A-3 CM Non-Voting Notes. Class A-3 CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class A-3 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (b) Class A-3 CM Non-Voting Notes. Class A-3 CM Non-Voting Notes shall not be exchangeable at any time into Class A-3 CM Voting Notes or Class A-3 CM Non-Voting Exchangeable Notes.

(vi) Class B-1 CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class B-1 CM Non-Voting Exchangeable Notes; or (b) Class B-1 CM Non-Voting Notes. Class B-1 CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class B-1 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (b) Class B-1 CM Non-Voting Notes. Class B-1 CM Non-Voting Notes shall not be exchangeable at any time into Class B-1 CM Voting Notes or Class B-1 CM Non-Voting Exchangeable Notes.

(vii) Class B-2 CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class B-2 CM Non-Voting Exchangeable Notes; or (b) Class B-2 CM Non-Voting Notes. Class B-2 CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class B-2 CM Voting Notes, provided that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor; or (b) Class B-2 CM Non-Voting Notes. Class B-2 CM Non-Voting Notes shall not be exchangeable at any time into Class B-2 CM Voting Notes or Class B-2 CM Non-Voting Exchangeable Notes.

(viii) Class C CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class C CM Non-Voting Exchangeable Notes; or (b) Class C CM Non-Voting Notes. Class C CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class C CM Voting Notes, ***provided*** that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor or (b) Class C CM Non-Voting Notes. Class C CM Non-Voting Notes shall not be exchangeable at any time into Class C CM Voting Notes or Class C CM Non-Voting Exchangeable Notes.

(ix) Class D CM Voting Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class D CM Non-Voting Exchangeable Notes; or (b) Class D CM Non-Voting Notes. Class D CM Non-Voting Exchangeable Notes will be exchangeable at any time upon request by the relevant Noteholder into: (a) Class D CM Voting Notes, ***provided*** that the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor or (b) Class D CM Non-Voting Notes. Class D CM Non-Voting Notes shall not be exchangeable at any time into Class D CM Voting Notes or Class D CM Non-Voting Exchangeable Notes.

(x) Any such right to exchange a Class A Note from one form to another, as described and subject to the limitations set out in paragraphs (iii), (iv) and (v) above, and any such right to exchange a Class B Note from one form to another, as described and subject to the limitations set out in paragraphs (vi) and (vii) above, and any such right to exchange a Class C Note from one form to another, as described and subject to the limitations set out in paragraph (viii) above and any such right to exchange a Class D Note from one form to another, as described and subject to the limitations set out in paragraph (ix) above, may, in each case, be exercised in accordance with the restrictions set out in the Trust Deed by a Noteholder holding a Definitive Certificate or a beneficial interest in a Global Certificate delivering to the Registrar or a Transfer Agent a written request substantially in the form provided in the Trust Deed from the exchangor.

3. Status

(a) *Status*

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse and Non Petition*). The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) *Relationship Among the Classes*

The Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payments of interest on the Class A 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 Subordinated Notes; payment of interest on the Class C Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes and the Class B Notes, but senior in right of payment to payments of interest in respect of the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payment of interest on the Class D Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes and the Class C Notes, but senior in right of payment to payments of interest on the Class E Notes, the Class F Notes and the Subordinated Notes; 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 Subordinated Notes; 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 Subordinated Notes. Payment of interest on the Subordinated Notes will be subordinated in right of payment to payment of interest in respect of the Rated Notes. Interest on the Subordinated Notes shall be paid *pari passu* and without any preference amongst themselves. Interest (excluding any Class A-3 Make-Whole Amounts) on the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes shall be paid *pro rata* and *pari passu* and without any

preference amongst themselves. Interest on the Class B-1 Notes and the Class B-2 Notes shall be paid *pro rata* and *pari passu* and without any preference amongst themselves.

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, the Class B Notes and the Class C Notes. No amount of principal in respect of the Class E Notes shall become due and payable until redemption and payment in full of the Class A 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. Subject to the applicability of the Post-Acceleration Priority of Payments, the Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal Priority of Payments on a *pari passu* basis. Payments on the Subordinated Notes are subordinated to payments on the Rated Notes and other amounts described in the Priorities of Payments and no payments out of Principal Proceeds will be made on the Subordinated Notes until the Rated Notes and other payments ranking prior to the Subordinated Notes in accordance with the Priorities of Payments are paid in full. Principal on the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes shall be paid *pro rata* and *pari passu* and without any preference amongst themselves. Principal on the Class B-1 Notes and the Class B-2 Notes shall be paid *pro rata* and *pari passu* and without any preference amongst themselves.

(c) *Priorities of Payments*

The Collateral Administrator shall (on the basis of the Payment Date Report prepared by the Collateral Administrator in consultation with the Collateral Manager pursuant to the terms of the Collateral Management and Administration Agreement on each Determination Date), on behalf of the Issuer on each Payment Date (i) prior to the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) (where the Post-Acceleration Priority of Payments shall apply subsequent to such acceleration); (ii) following delivery of an Acceleration Notice (deemed or otherwise) which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Event of Default*); and (iii) other than in connection with an optional redemption in whole under Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption following Note Tax Event*) (in which event the Post-Acceleration Priority of Payments shall apply), cause the Account Bank to disburse Interest Proceeds and Principal Proceeds transferred to the Payment Account, in each case, in accordance with the following Priorities of Payments:

(i) *Application of Interest Proceeds*

Subject as further provided below, Interest Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment of (i) *firstly* taxes owing by the Issuer accrued in respect of the related Due Period (other than Dutch corporate income tax in relation to the amounts equal to the Issuer Profit Amount referred to in (ii) below), as certified by an Authorised Officer of the Issuer to the Collateral Administrator, if any, (save for any VAT payable in respect of any Collateral Management Fee or any other tax payable in relation to any amount payable to the Secured Parties); and (ii) *secondly* the Issuer Profit Amount 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, which at any time prior to the occurrence of an Event of Default only which is continuing, shall be 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 paragraphs (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 and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Collateral Management Amounts), **provided however that** the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive, (y) designate for reinvestment in Collateral Obligations or purchase of Rated Notes or (z) 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 pursuant to (y) or (z) being "**Deferred Senior Collateral Management Amounts**") on any Payment Date, provided that any such amount in the case of (y) shall (i) be used to purchase additional Collateral Obligations or Rated Notes pursuant to Condition 7(k)(*Purchase*) or (ii) be deposited in the Principal Account pending reinvestment in additional Collateral Obligations or, in the case of (x) or (z), shall be applied to the payment of amounts in accordance with paragraphs (F) through (V) and (X) through (CC) below, subject in each case to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(F) to the payment, on a *pro rata* and *pari passu* basis, of (i) any Scheduled Periodic Hedge Issuer Payments (to the extent not paid out of the Currency Account or the Interest Account), (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Hedge Termination Account and other than Defaulted Interest Rate Hedge Termination Payments);

(G) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts (excluding any Class A-3 Make-Whole 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 all 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 either of the Class A/B Coverage Tests are not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class A/B Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A/B Coverage Test to be satisfied if recalculated immediately following such redemption;

(J) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class C Notes in respect of the Accrual Period ending 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* basis of any Deferred Interest on the Class C Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(L) if either of the Class C Coverage Tests are not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class C Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class C Coverage Test to be satisfied if recalculated immediately following such redemption;

(M) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class D Notes in respect of the Accrual Period ending 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* basis of any Deferred Interest on the Class D Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(O) if either of the Class D Coverage Tests are not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class D Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test to be satisfied if recalculated immediately following such redemption;

(P) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class E Notes in respect of the Accrual Period ending 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* 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 either of the Class E Coverage Tests are not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class E Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class E Coverage Test to be satisfied if recalculated immediately following such redemption;

(S) to the payment on a *pro rata* 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* basis of any Deferred Interest on the Class F Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(U) 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;

(V) if, on any Determination Date on and after the Effective Date, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (U) (inclusive) above, the Interest Diversion Test has not been satisfied, to the payment to (x) during the Reinvestment Period, the Principal Account as Principal Proceeds, to be applied for the purpose of the acquisition of additional Collateral Obligations and (y) following the Reinvestment Period, Interest Proceeds shall be applied in redemption of the Rated Notes in accordance with the Note Payment Sequence, in each case in an amount equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which, after giving effect to the payment of all amounts payable in respect

of paragraphs (A) through (U) (inclusive) above, would be sufficient to cause the Interest Diversion Test to be satisfied;

(W) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Subordinated Collateral Management Amounts) until such amount has been paid in full, *provided however that* the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive, (y) designate for reinvestment in Collateral Obligations or purchase of Rated Notes or (z) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (W) (any such amounts pursuant to (y) or (z) being "**Deferred Subordinated Collateral Management Amounts**") on any Payment Date, provided that any such amount in the case of (y) shall (i) be used to purchase additional Collateral Obligations or Rated Notes pursuant to Condition 7(k)(*Purchase*) or (ii) be deposited in the Principal Account pending reinvestment in additional Collateral Obligations or, in the case of (x) or (z), shall be applied to the payment of amounts in accordance with paragraphs (X) 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 (other than Deferred Subordinated Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(3) *thirdly*, at the election of the Collateral Manager (in its sole discretion) to the Collateral Manager in payment of any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts;

(X) to the payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(Y) 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;

(Z) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to a Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payment due to an Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Hedge Termination Account);

(AA) 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;

(BB) to the payment on a *pro rata* basis of the Class A-3 Make-Whole Amount (if any) due and payable on the Class A-3 Notes pursuant to these Conditions in connection with the redemption or prepayment in whole or in part (at any time during the Class A-3 Fixed Rate Period) of the Class A-3 Notes during the Accrual Period ending on such Payment Date or to the payment of any Class A-3 Make-Whole Amounts payable on any previous Payment Date in accordance with these Conditions that remain due and unpaid;

(CC) (1) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date, including pursuant to paragraph (2) below and paragraph (U) of the Principal Priority of Payments), to the payment to the Collateral Manager of 20 per

cent. of any remaining Interest Proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) in payment of an Incentive Collateral Management Fee, **provided however that** the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (CC) on any Payment Date and apply such amount to, in the case of (y), (i) be used to purchase additional Collateral Obligations and/or (ii) be deposited in the Principal Account pending reinvestment in additional Collateral Obligations or, in the case of (x), be applied to the payment of amounts in accordance with paragraph (2) below, subject in each case to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(2) any remaining Interest Proceeds to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

For the avoidance of doubt, any Collateral Management Fees which are deferred, waived or designated for reinvestment pursuant to paragraphs (E), (W) or (CC) above shall not be treated as due and payable pursuant to paragraphs (E), (W) or (CC) above.

(ii) *Application of Principal Proceeds*

Principal Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (H) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(B) to the payment of the amounts referred to in paragraph (I) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class A/B Coverage Tests that are applicable on such Payment Date with respect to the Class A Notes and the Class B Notes to be satisfied if recalculated immediately following such redemption;

(C) to the payment of the amounts referred to in paragraph (J) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(D) to the payment of the amounts referred to in paragraph (K) of the Interest Priority of Payments but only to the extent not paid in full thereunder and 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 Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be satisfied if recalculated immediately following such redemption;

(F) to the payment of the amounts referred to in paragraph (M) of the Interest Priority of Payments but only to the extent not paid in full thereunder and 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 Priority of Payments but only to the extent not paid in full thereunder and to the extent that the Class D Notes are the Controlling Class;

(H) to the payment of the amounts referred to in paragraph (O) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent

necessary to cause the Class D Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be satisfied if recalculated immediately following such redemption;

(I) to the payment of the amounts referred to in paragraph (P) of the Interest Priority of Payments but only to the extent not paid in full thereunder and 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 Priority of Payments but only to the extent not paid in full thereunder and to the extent that the Class E Notes are the Controlling Class;

(K) to the payment of the amounts referred to in paragraph (R) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class E Coverage Tests that are applicable on such Payment Date with respect to the Class E Notes to be satisfied if recalculated immediately following such redemption;

(L) to the payment of the amounts referred to in paragraph (S) of the Interest Priority of Payments but only to the extent not paid in full thereunder and to the extent that the Class F Notes are the Controlling Class;

(M) to the payment of the amounts referred to in paragraph (T) of the Interest Priority of Payments but only to the extent not paid in full thereunder and to the extent that the Class F Notes are the Controlling Class;

(N) 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;

(O) if such Payment Date is a Redemption Date in respect of which the Notes are being redeemed in full (other than a Special Redemption Date or after the Reinvestment Period has ended), to redeem the Notes in accordance with the Note Payment Sequence and, if applicable, in payment of any Refinancing Costs;

(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, either to the purchase of Substitute Collateral Obligations or to the Principal Account pending reinvestment in Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;

(2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Improved Obligations and Credit Risk Obligations at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Obligations or to the Principal Account pending reinvestment in Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;

(R) after the Reinvestment Period, to redeem the Notes in accordance with the Note Payment Sequence;

(S) after the Reinvestment Period, to the payment on a sequential basis of the amounts referred to in paragraphs (W) through (Z) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(T) to the payment of amounts referred to in paragraph (BB) of the Interest Priority of Payments but only to the extent not paid in full thereunder;

(U) (1) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date, including pursuant to paragraph (U)(2) below and paragraph (CC) of the Interest Priority of Payments) to the payment to the Collateral Manager of 20 per cent. of any remaining Principal Proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) in payment of an Incentive Collateral Management Fee, **provided however that** the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (U)(1) on any Payment Date and apply such amount to, in the case of (y), (i) be used to purchase additional Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in additional Collateral Obligations or, in the case of (x), be applied to the payment of amounts in accordance with paragraph (U)(2) below, subject in each case to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(2) any remaining Principal Proceeds to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

For the avoidance of doubt, any Incentive Collateral Management Fees which are waived or designated for reinvestment pursuant to paragraph (U(1)) above shall not be treated as due and payable pursuant to such paragraph.

(d) *Contributions*

At any time during or after the Reinvestment Period, any Noteholder may notify the Issuer, the Trustee, the Collateral Manager, the Placement Agent and the Collateral Administrator that it proposes to make a cash contribution to the Issuer (a "**Contribution**" and each such Noteholder, a "**Contributor**"). The Collateral Manager, on behalf of the Issuer, will (A) determine, in its reasonable discretion whether to accept any proposed Contribution and (B) agree with such Contributor the Permitted Use to which such proposed Contribution would be applied. The Collateral Manager will provide written notice of such determination to the applicable Contributor thereof, the Collateral Administrator, the Issuer, the Placement Agent and the Trustee and such Contribution will be deemed to be accepted by the Issuer. If such Contribution is accepted by the Collateral Manager, it will be deposited by the Issuer into the Supplemental Reserve Account and applied to the Permitted Use agreed between the Collateral Manager and the Contributor. No Contribution or portion thereof will be returned to the Contributor at any time. The acceptance of Contributions by the Collateral Manager, on behalf of the Issuer, shall be subject to the condition that the Collateral Manager may accept no more than three Contributions and on each occasion a Contribution shall be a minimum of €250,000 in aggregate.

(e) *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 pursuant to Condition 6 (*Interest*) in accordance with the Priorities of Payments by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not constitute an Event of Default unless and until (i) such failure continues for a period of at least five Business Days (or seven Business Days in the case of an administrative error or omission as described in Condition 10(a)(i)), save in each case as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*).

Failure on the part of the Issuer to pay the Interest Amounts on the Class C Notes, Class D Notes, Class E Notes or Class F Notes pursuant to Condition 6 (*Interest*) in accordance with the Priorities of Payments by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not constitute an Event of Default but instead will constitute Deferred Interest pursuant to Condition 6(c) (*Deferral of Interest*).

Non-payment of amounts due and payable on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds will not constitute an Event of Default. Failure on the part of the Issuer to pay any principal when the same becomes due and payable on any Rated Note on the Maturity Date or any Redemption Date shall be an Event of Default provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least five Business Days after the Issuer, the Collateral Administrator or the Principal Paying Agent 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 an Event of Default.

Subject always, in the case of Interest Amounts payable in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes to Condition 6(c) (*Deferral of Interest*) and save as otherwise provided in respect of any unpaid Collateral Management Fees (and VAT payable in respect thereof), in the event of non-payment of any amounts referred to in the Interest Priority of Payments or the Principal Priority of Payments on any Payment Date, such amounts shall remain due and shall be payable on each subsequent Payment Date in the orders of priority provided for in this Condition 3 (*Status*). References to the amounts referred to in the Interest Priority of Payments and the Principal Priority of Payments of this Condition 3 (*Status*) shall include any amounts thereof not paid when due and still outstanding in accordance with this Condition 3 (*Status*) on any preceding Payment Date.

(f) *Determination and Payment of Amounts*

The Collateral Administrator will, in consultation with the Collateral Manager, as of each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payments and will notify the Issuer and the Trustee of such amounts. The Account Bank (acting in accordance with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer) shall, on behalf of the Issuer not later than 12.00 p.m. (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, but excluding any amounts in respect of Hedge Issuer Tax Credit Payments received by the Issuer and payable to the Hedge Counterparty) to the extent required to pay the amounts referred to in the Interest Priority of Payments and the Principal Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(k) (*Payments to and from the Accounts*).

(g) *De Minimis Amounts*

The Collateral Administrator may, in consultation with the Collateral Manager, adjust the amounts required to be applied in payment of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, Class E Notes, the Class F Notes and the Subordinated Notes from time to time pursuant to the Priorities of Payments so that the amount to be so applied in respect of each Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, Class F Note and the Subordinated Notes is a whole amount, not involving any fraction of a 0.01 Euro or, at the discretion of the Collateral Administrator, part of a Euro.

(h) *Publication of Amounts*

The Collateral Administrator on behalf of the Issuer will cause details of the amounts of interest and principal to be paid, and any amounts of interest payable but not paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Irish Stock Exchange by no later than 12.00 p.m. (London time) on the applicable Payment Date in the Payment Date Report.

(i) *Notifications to be Final*

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition 3 (*Status*) will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Collateral Manager, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all

Noteholders and (in the absence of the negligence, fraud or wilful default of the Collateral Administrator) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise, delay in exercising or non-exercise by it of its powers, duties and discretions under this Condition 3 (*Status*).

(j) *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 Custody Account;
- the Collection Account;
- the Interest Smoothing Account; and
- the Interest Reserve Account.

The Issuer shall establish the following accounts with the Account Bank or (as the case may be) with the Custodian upon the request of the Collateral Manager:

- the Currency Account(s);
- the Counterparty Downgrade Collateral Account(s); and
- the Hedge Termination Account(s).

The Account Bank and the Custodian shall at all times be a financial institution satisfying the Rating Requirement applicable thereto, which is not resident or which is acting through an office which is not situated, in The Netherlands but which has the necessary regulatory capacity and licences to provide the services required by it to Dutch counterparties as a matter of the laws of The Netherlands. If the Account Bank or 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, which satisfies the Rating Requirement, is appointed in accordance with the provisions of the Agency and Account Bank Agreement. The Account Bank and the Custodian shall be required to hold and administer each Account from within the United Kingdom and, in any event, outside The Netherlands.

Amounts standing to the credit of the Accounts (other than the Unfunded Revolver Reserve Account, the Counterparty Downgrade Collateral Accounts, 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 any Counterparty Downgrade Collateral Accounts) from time to time shall be paid into the Interest Account, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All principal amounts received in respect of Eligible Investments standing to the credit of any Account from time to time shall be credited to that Account upon maturity, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All interest accrued on such Eligible Investments (including capitalised interest received

upon the sale, maturity or termination of any such investment) shall be paid to the Interest Account as, and to the extent provided, above.

To the extent that any amounts required to be paid into any Account pursuant to the provisions of this Condition 3 (*Status*) are denominated in a currency other than Euro, the Collateral Manager, acting on behalf of the Issuer, may (other than in the case of any Counterparty Downgrade Collateral Accounts) convert such amounts into the currency of the Account at the Spot Rate as determined by the Collateral Administrator at the direction of and in consultation with the Collateral Manager.

Notwithstanding any other provisions of this Condition 3(j) (*Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Payment Account, (iii) the Expense Reserve Account, (iv) the Supplemental Reserve Account, (v) all interest accrued on the Accounts, (vi) the Currency Account (to the extent designated as Principal Proceeds), (vii) the Counterparty Downgrade Collateral Accounts; (viii) the Interest Smoothing Account; and (ix) the Interest Reserve Account) shall be transferred to the Payment Account and shall constitute Principal Proceeds on the Business Day prior to any redemption of the Notes in full, and all amounts standing to the credit of each of the Interest Account, the Interest Smoothing Account, the Interest Reserve Account, the Expense Reserve Account, the Supplemental Reserve Account, the Currency Account (to the extent designated as Interest Proceeds) and, to the extent not required to be repaid to any Hedge Counterparty, the relevant Counterparty Downgrade Collateral Account shall be transferred to the Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Notes in full.

Following the end of the Reinvestment Period, the Issuer (or the Collateral Manager acting on its behalf) may open additional ledgers in the Principal Account to separate payments of Scheduled Principal Proceeds and Unscheduled Principal Proceeds.

(k) *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 (to the extent not included in the Sale Proceeds);

but excluding (i) any such payments received in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, to the extent required to be paid into the Unfunded Revolver Reserve Account, (ii) principal proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account, (iii) any such payments received in respect of any Hedge Replacement Receipts or Hedge Counterparty Termination Payments to the extent required to be paid into the Hedge Termination Account and (iv) principal proceeds received both before and after the Reinvestment Period in connection with the acceptance of an Offer (for the avoidance of doubt, to the extent that such proceeds will be reinvested automatically as consideration for the Collateral Obligation subject to such Offer, subject to the Restructured Obligation Criteria being satisfied);

(B) all interest and other amounts received in respect of any Defaulted Obligation or any Mezzanine Obligation for so long as it is a Defaulted Obligation (save for Defaulted

Obligation Excess Amounts) and amounts representing the element of deferred interest in any payments received in respect of any PIK Security;

(C) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Obligation at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Collateral Obligation;

(D) all fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations as determined by the Collateral Manager in its reasonable discretion;

(E) all Sale Proceeds received in respect of a Collateral Obligation;

(F) all Distributions and Sale Proceeds received in respect of Exchanged Securities;

(G) all Purchased Accrued Interest;

(H) amounts transferred to the Principal Account from any other Account as required below;

(I) all proceeds received from any additional issuance of the Notes that are not invested in Collateral Obligations or required to be paid into the Interest Account in accordance with Condition 17(b) (*Additional Issuances*);

(J) any other amounts received in respect of the Collateral which are not required to be paid into another Account;

(K) all amounts transferred from the Counterparty Downgrade Collateral Accounts to the Principal Account in accordance with Condition 3(k)(v) (*Counterparty Downgrade Collateral Accounts*) below;

(L) all amounts transferred from the Supplemental Reserve Account in accordance with Condition 3(k)(vi) (*Supplemental Reserve Account*) below;

(M) all amounts transferred from the Expense Reserve Account;

(N) all amounts payable into the Principal Account pursuant to paragraph (V) of the Interest Priority of Payments upon the failure to meet the Interest Diversion Test on any Determination Date on and after the Effective Date and during the Reinvestment Period;

(O) all principal payments and Purchased Accrued Interest received in respect of any Non-Eligible Issue Date Collateral Obligation or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which have not been sold by the Collateral Manager in accordance with the Collateral Management and Administration Agreement;

(P) all amounts transferred to the Principal Account from the Currency Account pursuant to paragraph (B) of Condition 3(k)(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) all Refinancing Proceeds; and

(R) any other amounts which are not required to be paid into any other Account in accordance with this Condition 3(k) (*Payments to and from the Accounts*).

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Principal Account:

(1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the Principal Account to the Payment Account to the extent required

for disbursement pursuant to the Principal Priority of Payments, save for: (a) amounts deposited after the end of the related Due Period; and (b) any Principal Proceeds deposited prior to the end of the related Due Period to the extent such Principal Proceeds are permitted to be and have been designated for reinvestment by the Collateral Manager (on behalf of the Issuer) pursuant to the Collateral Management and Administration Agreement for a period beyond such Payment Date, provided that (i) if the Coverage Tests are not satisfied, Principal Proceeds from Defaulted Obligations may not be designated for reinvestment by the Collateral Manager (on behalf of the Issuer) until after the following Payment Date and (ii) no such payment shall be made to the extent that such amounts are not required to be distributed pursuant to the Principal Priority of Payments on such Payment Date;

(2) at any time at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations (including any payments to a Currency Hedge Counterparty in respect of initial principal exchange amounts pursuant to any Currency Hedge Transaction entered into in respect thereof) including amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Collateral Obligations which are required to be deposited in the Unfunded Revolver Reserve Account;

(3) on any Payment Date, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement, in payment of the purchase price of any Notes purchased by the Issuer in accordance with Condition 7(k) (*Purchase*); and

(4) on any Business Day, all Refinancing Proceeds in or towards redemption of the Class or Classes of Rated Notes the subject of a Refinancing, subject to and in accordance with, the provisions of Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

(ii) *Interest Account*

The Issuer will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof:

(A) all cash payments of interest in respect of the Collateral Obligations other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty but excluding (i) interest proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account and (ii) any interest received in respect of any Defaulted Obligations and Mezzanine Obligation for so long as it is a Defaulted Obligation other than Defaulted Obligation Excess Amounts;

(B) all interest accrued on the Balance standing to the credit of the Interest Account from time to time and all interest accrued in respect of the Balances standing to the credit of the other Accounts other than the Counterparty Downgrade Collateral Account and the Payment Account (including interest on any Eligible Investments standing to the credit thereof);

(C) all amendment and waiver fees, all late payment fees, all commitment fees, syndication fees, delayed compensation and all other fees and commissions received in connection with any Collateral Obligations and Eligible Investments as determined by the Collateral Manager in its reasonable discretion (other than fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations which fees and commissions shall be payable into the Principal Account and shall constitute Principal Proceeds);

(D) all accrued interest included in the proceeds of sale of any other Collateral Obligation that are designated by the Collateral Manager as Interest Proceeds pursuant to the Collateral Management and Administration Agreement (provided that no such designation may be made in respect of (i) any Purchased Accrued Interest, (ii) a Defaulted Obligation save for Defaulted Obligation Excess Amounts);

(E) all proceeds received during the related Due Period from any additional issuance of Subordinated Notes that are not reinvested or retained for reinvestment in Collateral Obligations;

(F) all amounts representing the element of deferred interest (other than Purchased Accrued Interest) in any payments received in respect of any Mezzanine Obligation which 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(k)(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 under Condition (3)(k)(vi) (*Supplemental Reserve Account*);

(K) all amounts transferred from the Expense Reserve Account;

(L) all Scheduled Periodic Hedge Counterparty Payments received by the Issuer under any Hedge Transaction excluding any Scheduled Principal Proceeds, or Hedge Replacement Receipts;

(M) all cash payments of interest in respect of any Non-Eligible Issue Date Collateral Obligations or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and that have not been sold by the Collateral Manager, other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty in accordance with the Collateral Management and Administration Agreement;

(N) any amounts relating to a Hedge Issuer Tax Credit Payment received by the Issuer from the tax authorities of any jurisdiction; and

(O) 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 shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Interest Priority of Payments save for amounts deposited after the end of the related Due Period or any amounts representing any Hedge Issuer Tax Credit Payments to be disbursed pursuant to (3) below;

(2) at any time in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of

Collateral Obligations to the extent that any such acquisition costs represent accrued interest;

(3) any Scheduled Periodic Interest Rate Hedge Issuer Payments and any Hedge Issuer Tax Credit Payments at any time in accordance with the relevant Hedge Agreement and without regard to the Priorities of Payment;

(4) 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 an Event of Default which is continuing; and (iii) the Determination Date immediately prior to any redemption of the Notes in full, any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account; and

(5) at any time, towards the payment of any costs and expenses (including transfer fees) relating to the purchase and sale of Collateral Obligations.

(iii) *Unused Proceeds Account*

The Issuer will procure that the following amounts are credited to the Unused Proceeds Account, as applicable:

(A) an amount transferred from the Collection Account equal to the net proceeds of issue of the Notes remaining after the payment of all amounts pursuant to Condition 3(k)(xi)(1) (*Collection Account*) below; and

(B) all proceeds received during the Initial Investment Period from any additional issuance of Notes that are not invested in Collateral Obligations or paid into the Interest Account in accordance with Condition 17(b) (*Additional Issuances*).

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the applicable sub-ledger of the Unused Proceeds Account:

(1) on or about the Issue Date, such amounts equal to the aggregate of:

(a) the purchase price for certain Collateral Obligations on or prior to the Issue Date; 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, including pursuant to the Warehouse Arrangements;

(2) at any time up to and including the last day of the Initial Investment Period, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations;

(3) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required to cause such Effective Date Rating Event to no longer be continuing, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payments; and

(4) on or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account, to the Principal Account or the Interest Account, in each case, at the discretion of the Collateral Manager, acting on behalf of the Issuer, provided that as at such date: (i) Rating Agency Confirmation has been received following delivery of the Effective Date Report (provided that if the Effective Date Moody's Condition is satisfied then such Rating Agency Confirmation shall be deemed to

have been received from Moody's); and (ii) no more than 50 per cent. of such Balance as at the Effective Date but in any event, no more than 1 per cent. of the Collateral Principal Amount as at the Effective Date may be transferred to the Interest Account. For the avoidance of doubt, the remainder of such Balance will be transferred to the Principal Account.

(iv) *Payment Account*

The Issuer, or the Collateral Administrator (acting on behalf of the Issuer), as the case may be, 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(j) (*Accounts*) and Condition 3(k) (*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 Payments. No amounts shall be transferred to or withdrawn from the Payment Account at any other time or in any other circumstances.

(v) *Counterparty Downgrade Collateral Accounts*

The Issuer will procure that all Counterparty Downgrade Collateral transferred pursuant to a Hedge Agreement shall be deposited in a separate Counterparty Downgrade Collateral Account in respect of each Hedge Counterparty and such Hedge Agreement and that all interest accrued on the Balance standing to the credit of a Counterparty Downgrade Collateral Account shall be deposited into such Counterparty Downgrade Collateral Account. The Issuer will procure the payment of the following amounts out of a Counterparty Downgrade Collateral Account (and shall ensure that no other payments are made, save to the extent otherwise permitted):

(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 in respect of all "Transactions" 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 Termination 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 Termination 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 where (A) the relevant Hedge Counterparty is not 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 Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);

(2) second in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(3) third, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account,

(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 Termination Account); and

(2) second, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account.

The funds or securities credited to the Counterparty Downgrade Collateral Account and any interest or distributions thereon or liquidation proceeds thereof are held separate from and do not form part of Principal Proceeds or of the Interest Proceeds and accordingly, are not available to fund general distributions of the Issuer. The amounts standing to the credit of the applicable Counterparty Downgrade Collateral Account shall not be commingled with any other funds from any party.

(vi) *Supplemental Reserve Account*

The Issuer will procure that each Supplemental Reserve Amount, each Contribution, the proceeds of issuance of any Subordinated Notes pursuant to Condition 17(b) (*Additional Issuances*) and all Collateral Enhancement Obligation Proceeds shall be deposited into 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:

(A) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf) to the Principal Account for either (x) during the Reinvestment Period to reinvest in Substitute Collateral Obligations or invest in additional Collateral Obligations or

(y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payments;

(B) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to the Interest Account for distribution on the next following Payment Date in accordance with the Priorities of Payments;

(C) at any time, in the acquisition of, or in respect of any exercise of any option or warrant comprised in, Collateral Enhancement Obligations, in accordance with the terms of the Collateral Management and Administration Agreement;

(D) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to purchase any Rated Notes in accordance with Condition 7(k) (*Purchase*);

(E) in the event of 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 cause such Effective Date Rating Event to no longer be continuing, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payments;

(F) the Balance standing to the credit of the Supplemental Reserve Account to the Payment Account for distribution on the next following Payment Date in accordance with the Principal Priority of Payments or the Post-Acceleration Priorities of Payments (as applicable) (1) at the direction of the Collateral Manager at any time prior to an Event of Default or (2) automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*);

(G) for deposit into the Expense Reserve Account; and

(H) on any Payment Date, as directed by the Issuer in its discretion (or the Collateral Manager acting on its behalf), some or all of the Supplemental Reserve Amount(s) or any amounts received as Collateral Enhancements Obligation Proceeds to the payment of distributions on the Subordinated Notes in each case on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption), provided that if the Incentive Collateral Management Fee IRR Threshold has been reached (after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date), 20 per cent. of such Collateral Enhancement Obligation Proceeds shall be paid to the Collateral Manager, *provided however that* the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (8) on any Payment Date and apply such amount to, in the case of (y), (i) be used to purchase additional Collateral Obligations or Collateral Enhancement Obligations or (ii) remain in the Supplemental Reserve Account pending reinvestment in additional Collateral Obligations or Collateral Enhancement Obligations or, in the case of (x), be applied to the payment of distributions on the Subordinated Notes, subject in each case to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied,

each of the foregoing being a "**Permitted Use**", provided that, for the avoidance of doubt, in respect of items (1), (2) and (6) above there is no obligation for such payment to be made to the Principal Account, Interest Account or Payment Account (as applicable) prior to any Payment Date unless the Issuer (or the Collateral Manager on its behalf) so directs.

No Contribution or portion thereof accepted by the Collateral Manager acting on behalf of the Issuer will be returned to the Contributor at any time (other than in accordance with the Priorities of Payments) and each Contribution shall be applied solely for the Permitted Use agreed between the Collateral Manager and the relevant Contributor pursuant to Condition 3(d) (*Contributions*).

(vii) *The Unfunded Revolver Reserve Account*

The Issuer shall procure the following amounts are paid into the Unfunded Revolver Reserve Account:

(A) upon the acquisition by or on behalf of the Issuer of any Revolving Obligation or Delayed Drawdown Collateral Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the Unfunded Revolver Reserve Account to be at least equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Collateral Obligation) less amounts posted thereafter as collateral (which do not constitute Funded Amounts), in each case, pursuant to paragraph (2) or (3) below, as applicable;

(B) all principal payments received by the Issuer in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, if and to the extent that the amount of such principal payments may be re-borrowed under such Revolving Obligation or Delayed Drawdown Collateral Obligation or otherwise by the Collateral Manager, acting on behalf of the Issuer; and

(C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to (2) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the Unfunded Revolver Reserve Account:

(1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Obligation or Revolving Obligation;

(2) in respect of Delayed Drawdown Collateral Obligations or Revolving Obligations, all amounts required to be deposited in the Issuer's name with any third party which satisfies the Rating Requirement applicable to an Account Bank (or if the third party does not satisfy the Rating Requirement applicable to an Account Bank, subject to receipt of Rating Agency Confirmation) as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation (subject to such security documentation as may be agreed between such lender, the Collateral Manager acting on behalf of the Issuer and the Trustee);

(3) (x) at any time at the direction of the Collateral Manager (acting on behalf of the Issuer) or (y) upon the sale (in whole or in part) of a Revolving Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (a) the amount standing to the credit of the Unfunded Revolver Reserve Account over (b) the sum of the Unfunded Amounts of all Revolving Obligations and Delayed Drawdown Collateral Obligations after taking into account such sale or such reduction, cancellation or expiry of such commitment or notional amount; and

(4) all interest accrued on the Balance standing to the credit of the Unfunded Revolver Reserve Account from time to time to the Interest Account following conversion thereof into Euros to the extent necessary.

(viii) *Hedge Termination Account*

The Issuer will procure that all Hedge Counterparty Termination Payments and Hedge Replacement Receipts are paid into the appropriate Hedge Termination Account promptly upon receipt thereof.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made save to the extent otherwise permitted) out of the relevant Hedge Termination Account in payment as provided below:

(A) at any time, in the case of any Hedge Replacement Receipts paid into the relevant Hedge Termination Account, in payment of any Interest Rate Hedge Issuer Termination Payment or Currency Hedge Issuer Termination Payment, as applicable, due and payable to a Hedge Counterparty under the Hedge Transaction being replaced or to the extent not required to make such payment, in payment of such amount to the Principal Account;

(B) at any time, in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in payment of any Hedge Replacement Payment and any other amounts payable by the Issuer upon entry into a Replacement Hedge Transaction in accordance with the Collateral Management and Administration Agreement; and

(C) in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in the event that:

(1) the Issuer, or the Collateral Manager on its behalf, determines not to replace the Hedge Transaction (or part thereof) and Rating Agency Confirmation is received in respect of such determination (other than where such determination is made in connection with a Currency Hedge Transaction which has been terminated (in whole or in part) solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation); or

(2) termination of the Hedge Transaction (in whole or in part) under which such Hedge Counterparty Termination Payments are payable occurs on a Redemption Date; or

(3) to the extent that such Hedge Counterparty Termination Payments are not required for application towards costs of entry into a Replacement Hedge Transaction,

in payment of such amounts (save for accrued interest thereon) to the Principal Account.

(ix) *Currency Accounts*

The Issuer will procure that all amounts received in respect of any Non-Euro Obligations (including Sale Proceeds, but excluding Hedge Replacement Receipts and Hedge Counterparty Termination Payments) to the extent not required to be paid directly to the Interest Account or Principal Account are paid into the appropriate Currency Account in the currency of receipt thereof. A separate Currency Account will be established in respect of each applicable currency.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Currency Account:

(A) at any time, all amounts payable by the Issuer to the Currency Hedge Counterparty under any Currency Hedge Transaction save for Currency Hedge Issuer Termination Payments (other than where such Currency Hedge Issuer Termination Payments arise in connection with the termination of a Currency Hedge Transaction (in whole or in part) in circumstances where no Replacement Hedge Transaction is entered into by the Issuer which gives rise to a Hedge Replacement Receipt, including where a Currency Hedge Transaction has been terminated (in whole or in part) solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation) and Hedge Replacement Payments; and

(B) cash amounts representing any excess standing to the credit of the Currency Account after paying, or provisions for the payment, of any amounts to be paid to any Currency Hedge Counterparty pursuant to paragraph (A) above shall be converted into Euro at the Spot Rate by the Issuer following consultation with the Collateral Manager and transferred to the Principal Account or the Interest Account (as applicable) at the discretion of the Collateral Manager.

(x) *Expense Reserve Account*

The Issuer shall procure that the following amounts are paid into the Expense Reserve Account:

(A) on the Issue Date, an amount determined on the Issue Date for the payment of amounts due or accrued in connection with the issue of the Notes, in accordance with (1) below;

(B) any amount applied in payment into the Expense Reserve Account pursuant to paragraph (D) of the Interest Priority of Payments; and

(C) all amounts transferred from the Supplemental Reserve Account.

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Expense Reserve Account:

(1) amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of Notes and the entry into the Transaction Documents;

(2) amounts standing to the credit of the Expense Reserve Account on the Determination Date immediately preceding 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 on each Determination Date thereafter, amounts standing to the credit of the Expense Reserve Account may be transferred to the Interest Account in the sole discretion of the Issuer (or the Collateral Manager acting on its behalf);

(3) at any time, the amount of, firstly, Trustee Fees and Expenses and, secondly, Administrative Expenses which have accrued and become payable prior to the immediately following Payment Date, upon receipt of invoices therefor from the relevant creditor, provided that any such payments, in aggregate, shall not cause the balance of the Expense Reserve Account to fall below zero;

(4) to the payment of any Refinancing Costs; and

(5) at any time, towards the payment of any costs and expenses (including transfer fees) relating to the purchase and sale of Collateral Obligations to the extent not paid from funds in the Interest Account.

(xi) *Collection Account*

The Issuer will procure that the following amounts are credited to the Collection Account:

(A) on the Issue Date, the net proceeds of issue of the Notes; and

(B) all amounts received in respect of any Collateral (other than as otherwise provided in Condition 3(k)(v) (*Counterparty Downgrade Collateral Accounts*).

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Collection Account:

(1) on or about the Issue Date:

(a) in payment of amounts due or accrued with respect to action taken on or in connection with the Issue Date with respect to the issue of Notes, the entry into the Transaction Documents and the termination of the Warehouse Arrangements;

(b) amounts payable into the Expense Reserve Account;

(c) amounts payable into the Interest Reserve Account;

(d) to repay the relevant lenders under the Warehouse Arrangements in respect of the funding provided by them to finance the purchase of Collateral Obligations prior to the Issue Date;

(e) to pay to the Collateral Manager certain fees and expenses pursuant to Warehouse Arrangements;

(f) to pay all other amounts due under the Warehouse Arrangements; and

(g) any remaining amounts to the Unused Proceeds Account; and

(2) subject to the prior payment of all amounts pursuant to Condition 3(k)(xi)(1) (*Collection Account*) above, in transfer to the other Accounts as required in accordance with Condition 3(j) (*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.

(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 an Event of Default which is continuing;

(C) the Determination Date immediately prior to any redemption of the Notes in full; and

(D) any Determination Date on or following the occurrence of a Frequency Switch Event,

the Interest Smoothing Amount (if any) shall be credited to the Interest Smoothing Account from the Interest Account.

The Issuer shall procure, on the Business Day falling after each Payment Date, the transfer to the Interest Account of an amount equal to:

(1) if any Interest Smoothing Amount was transferred to the Interest Smoothing Account on the immediately prior Determination Date in respect of an Interest Smoothing Obligation with a Payment Frequency greater than three months and less than or equal to six months, an amount equal to such Interest Smoothing Amount;

(2) if any Interest Smoothing Amount was transferred to the Interest Smoothing Account on any of the prior two Determination Dates in respect of an Interest Smoothing Obligation with a Payment Frequency greater than six months and less than or equal to nine months, an amount equal to such Interest Smoothing Amount divided by two; and

(3) if any Interest Smoothing Amount was transferred to the Interest Smoothing Account on any of the prior three Determination Dates in respect of an Interest Smoothing Obligation with a Payment Frequency greater than nine months, an amount equal to such Interest Smoothing Amount divided by three.

(xiii) *Interest Reserve Account*

The Issuer shall procure that on or about the Issue Date €2,000,000 is paid into the Interest Reserve Account.

At any time up to and including the last day of the Initial Investment Period, the Collateral Manager, in its sole discretion (acting on behalf of the Issuer), may direct some or all amounts standing to the credit of the Interest Reserve Account to be used for the acquisition of Collateral Obligations, subject to and in accordance with the Collateral Management and Administration Agreement. Following the Initial Investment Period, all amounts standing to the credit of the Interest Reserve Account (including all interest accrued thereon) shall be

transferred to the Payment Account for disbursement pursuant to the Interest Priority of Payments.

4. Security

(a) *Security*

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes, the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and the Placement Agency Agreement (together with the obligations owed by the Issuer to the other Secured Parties) are secured in favour of the Trustee for the benefit of the Secured Parties by:

(i) an assignment by way of security of all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Exchanged Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and any other investments (other than the Counterparty Downgrade Collateral), in each case held by the Issuer from time to time (where such rights are contractual rights (other than contractual rights the assignment of which would require the consent of a third party or the entry into of an agreement or deed) and where such contractual rights arise other than under securities), including, without limitation, moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a first fixed charge and first priority security interest granted over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Exchanged Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and any other investments (other than the Counterparty Downgrade Collateral), in each case held by the Issuer (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above 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 and first priority security interest granted over all present and future rights of the Issuer in respect of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and all moneys from time to time standing to the credit of such Accounts and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;

(iv) a first fixed charge and first priority security interest (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all present and future rights of the Issuer in respect of any Counterparty Downgrade Collateral standing to the credit of the relevant Counterparty Downgrade Collateral Account, including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and over the relevant Counterparty Downgrade Collateral Account and all moneys from time to time standing to the credit of the relevant 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 Condition 3(k)(v) (*Counterparty Downgrade Collateral Accounts*) and any first priority security interest granted by the Issuer to any Hedge Counterparty;

(v) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Agency and Account Bank Agreement (to the extent it relates to the

Custody Account) and a first fixed charge over all of the Issuer's right, title and interest in and to the Custody Account (including each cash account relating to the Custody Account) and any cash held therein and the debts represented thereby;

(vi) an assignment by way of security of all the Issuer's present and future rights under each Currency Hedge Agreement and each Interest Rate Hedge Agreement and each Currency Hedge Transaction and Interest Rate Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Currency Hedge Agreement or Interest Rate Hedge Agreement, provided that such assignment by way of security is without prejudice to, and after giving effect to, any contractual netting or set-off provision contained in the relevant Hedge Agreement and shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the terms thereof);

(vii) a first fixed charge over all moneys held from time to time by the Principal Paying Agent and any other Agent for payment of principal, interest or other amounts on the Notes (if any);

(viii) an assignment by way of security of all the Issuer's present and future rights under the Collateral Management and Administration Agreement, the Agency and Account Bank Agreement, the Placement Agency Agreement, each Collateral Acquisition Agreement, each other Transaction Document and all sums derived therefrom; and

(ix) a floating charge over the whole of the Issuer's undertaking and assets to the extent that such undertaking and assets are not subject to any other security created pursuant to the Trust Deed,

excluding for the purpose of (i) to (ix) above, (A) any and all assets, property or rights which are located in, or governed by the laws of, The Netherlands (except for contractual rights or receivables (*rechten of vorderingen op naam*)) which are assigned or charged to the Trustee pursuant to (i) to (ix) above), (B) any and all Dutch Ineligible Securities; (C) the Issuer's rights under the Issuer Management Agreement; and (D) the Issuer's rights in respect of amounts standing to the credit of the Issuer Dutch Account.

The security created pursuant to paragraphs (i) to (ix) above is granted to the Trustee for itself and as trustee for the Secured Parties as continuing security for the payment of the Secured Obligations provided that the security granted by the Issuer over any collateral provided to the Issuer pursuant to a Hedge Agreement will only be available to the Secured Parties (other than with respect to the collateral provided to the relevant Hedge Counterparty pursuant to such Hedge Agreement and Condition 3(k)(v) (*Counterparty Downgrade Collateral Accounts*)) when such collateral is expressed to be available to the Issuer and (if a title transfer arrangement) to the extent that no equivalent amount is owed to the Hedge Counterparty pursuant to the relevant Hedge Agreement and/or Condition 3(k)(v) (*Counterparty Downgrade Collateral Accounts*). The security will extend to the ultimate balance of all sums payable by the Issuer in respect of the above, regardless of any intermediate payment or discharge in whole or in part.

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed charges over, the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Collateral**"), the Issuer shall hold to the fullest extent permitted under Dutch or any other mandatory law the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together, the "**Trust Collateral**") on trust for the Trustee for the benefit of the Secured Parties and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (provided that, subject to the Conditions and the terms of the Collateral Management and Administration Agreement, if no Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust under this paragraph without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

The Issuer may from time to time grant security:

(i) by way of a first priority security interest to a Hedge Counterparty over the Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the relevant Counterparty Downgrade Collateral Account and the Counterparty Downgrade Collateral Account as security for the Issuer's obligations to repay or redeem such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement and Condition 3(k)(v) (*Counterparty Downgrade Collateral Accounts*) (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

(ii) 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(k)(vii) (*The Unfunded Revolver Reserve Account*) (including Rating Agency Confirmation),

in each case, excluding (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 Condition 4(a)(i) to (ix) (*Security*) above); (B) all Dutch Ineligible Securities; (C) the Issuer's rights under the Issuer Management Agreement; and (D) the Issuer's rights in respect of amounts standing to the credit of the Issuer Dutch Account.

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 appointed on substantially the same terms of the Agency and Account Bank Agreement.

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, a bank or other custodian. The Trustee has no responsibility to monitor or ensure that the Custodian or the Account Bank satisfies the Rating Requirement applicable to it or, in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement custodian or account bank. The Trustee has no responsibility for the management of the Portfolio by the Collateral Manager or to supervise the administration of the Portfolio by the Collateral Administrator or by any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

(b) *Application of Proceeds upon Enforcement*

The Trust Deed provides that the net proceeds of realisation of or enforcement with respect to the security over, the Collateral constituted by the Trust Deed, shall be applied in accordance with the priorities of payments set out in Condition 11 (*Enforcement*).

(c) *Limited Recourse and Non-Petition*

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payments and Condition 3(k) (*Payments to and from the Accounts*). 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, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed or otherwise are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Secured Parties (such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Secured Parties and in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payments. In such circumstances, the other assets (including the Issuer Dutch Account and its rights under the Issuer Management Agreement) of the Issuer will not be available for payment of such shortfall which shall be borne by the Noteholders and the other Secured Parties in accordance with the Priorities of Payments. In such circumstances the rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders, the Trustee, the other Secured Parties (or any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed (including by appointing a receiver or an administrative receiver).

In addition, none of the Noteholders or any of the other Secured Parties shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligations, covenants or agreement entered into or made by the Issuer pursuant to the terms of these Conditions or any other Transaction Document to which the Issuer is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

None of the Trustee, the Director, the Placement Agent, the Collateral Manager and any Agent has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) *Acquisition and Sale of Portfolio*

Prior to the Issue Date, the Issuer acquired certain Collateral Obligations pursuant to the Warehouse Arrangements. The Collateral Manager is required to manage the Portfolio and to act in specific circumstances in relation to the Portfolio on behalf of the Issuer pursuant to the terms of, and subject to the parameters set out in the Collateral Management and Administration Agreement and subject to the overall supervision and control of the Issuer. The duties of the Collateral Manager, subject to the standard of care in, and the other provisions of, the Collateral Management and Administration Agreement, with respect to the Portfolio include (amongst others) the use of reasonable endeavours to:

(i) purchase Collateral Obligations in accordance with the criteria set out in the Collateral Management and Administration Agreement;

(ii) invest the amounts standing to the credit of the Accounts (other than the Counterparty Downgrade Collateral Accounts, the Collection 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 from such sale or from repayments on such Collateral Obligations in Substitute Collateral Obligations in accordance with the criteria set out in the Collateral Management and Administration Agreement.

The Collateral Manager is required to monitor the Collateral Obligations with a view to seeking to determine whether any Collateral Obligation has converted into, or been exchanged for, an Exchanged Security or Defaulted Obligation, provided that, if it fails to do so, it will not have any liability to the Issuer except as provided in the Collateral Management and Administration Agreement. No Noteholder shall have any recourse against any of the Issuer, the Collateral Manager, the Collateral Administrator, any other Agent or the Trustee for any loss suffered as a result of such failure.

Under the Collateral Management and Administration Agreement, the Issuer, the Controlling Class and the Subordinated Noteholders have certain rights in respect of the removal of the Collateral Manager and appointment of a replacement Collateral Manager.

(e) *Exercise of Rights in Respect of the Portfolio*

Pursuant to the Collateral Management and Administration Agreement, the Issuer authorises the Collateral Manager, prior to enforcement of the security over the Collateral, to exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Collateral Manager is authorised, subject to any specific direction given by the Issuer, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any obligations forming part of the Portfolio.

(f) *Information Regarding the Collateral*

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is made available within two Business Days of publication, to each Noteholder of each Class upon request in writing therefor and that copies of each such Report are made available to the Trustee, the Collateral Manager, 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 in the Transaction Documents, the Issuer covenants to the Trustee on behalf of the Noteholders that, for so long as any Note remains Outstanding, the Issuer will:

(i) take such steps as are reasonable to enforce all its rights:

(A) under the Trust Deed;

(B) in respect of the Collateral;

(C) under the Agency and Account Bank Agreement;

(D) under the Collateral Management and Administration Agreement;

(E) under the Issuer Management Agreement;

(F) under each Collateral Acquisition Agreement; and

(G) under any Hedge Agreements;

(ii) comply its obligations under the Notes, the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and each other Transaction Document to which it is a party;

(iii) keep proper books of account in accordance with its obligations under Dutch law;

(iv) at all times maintain its tax residence outside the United Kingdom and the United States and will not have a permanent establishment in the United Kingdom for United Kingdom tax purposes (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 and Administration 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) 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;

(vi) pay its debts generally as they fall due;

(vii) do all such things as are necessary to maintain its corporate existence;

(viii) use its best endeavours to obtain and maintain the listing on the Global Exchange Market of the Irish Stock Exchange of the outstanding Notes of each Class. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listings are agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the holders of the Outstanding Notes of each Class would not thereby be materially prejudiced, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing for such Notes on such other stock exchange(s) as it may (with the approval of the Trustee) decide;

(ix) supply such information to the Rating Agencies as they may reasonably request;

(x) ensure that its tax residence is and remains at all times solely in The Netherlands;

(xi) ensure an agent is appointed to assist in creating and maintaining the Issuer's website to enable the Rating Agencies to comply with Rule 17g-5.

(b) *Restrictions on the Issuer*

For so long as any of the Notes remain Outstanding, save as provided in the Transaction Documents, the Issuer covenants to the holders of such Outstanding Notes that (to the extent applicable) it will not, without the prior written consent of the Trustee:

(i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, other than in accordance with the Collateral Management and Administration 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, the 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, the 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 Notes;

(C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement, and each other Transaction Document to which it is a party, as applicable; or

(D) performing any act incidental to or necessary in connection with any of the above;

(iv) amend any term or Condition of the Notes of any Class (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 and Account Bank Agreement, the Collateral Management and Administration 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 and, in the case of the Collateral Management and Administration Agreement, the terms thereof);

(vi) guarantee or incur any indebtedness for borrowed money, other than in respect of:

(A) the Notes (including the issuance of additional Notes pursuant to Condition 17 (*Additional Issuances*)) or any document entered into in connection with the Notes or the sale thereof or any additional Notes or the sale thereof;

(B) any Refinancing; or

(C) as otherwise contemplated or permitted pursuant to the Trust Deed or the Collateral Management and Administration Agreement;

(vii) amend its constitutional documents;

(viii) have any subsidiaries or establish any offices, branches or other "establishment" (as that term is used in article 2(h) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) outside of The Netherlands;

(ix) have any employees (for the avoidance of doubt the Directors of the Issuer do not constitute employees);

(x) enter into any reconstruction, amalgamation, merger or consolidation;

(xi) convey or transfer all or a substantial part of its properties or assets (in one or a series of transactions) to any person, otherwise than as contemplated in these Conditions;

(xii) issue any shares (other than the share that is in issue as at the Issue Date) nor redeem or purchase any of its issued share capital and shall maintain adequate share capital in light of its contemplated business operations;

(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 and Account Bank

Agreement, the Collateral Manager or the Collateral Administrator under the Collateral Management and Administration Agreement (including, in each case, any transactions entered into thereunder) or, in each case, from any executory obligation thereunder;

(xv) comingle its assets with those of any other Person or entity;

(xvi) enter into any lease in respect of, or own, premises; or

(xvii) have any Affiliates or, if it does have any Affiliates, enter into any transactions or arrangements with any of such Affiliates on anything other than arm's length terms.

6. Interest

(a) *Payment Dates*

(i) *Rated Notes*

The Rated Notes each bear interest from (and including) the Issue Date and such interest will be payable (A) in the case of interest accrued during the initial Accrual Period, for the period from (and including) the Issue Date to (but excluding) the Payment Date falling in April 2016, (B) thereafter, at any time prior to the occurrence of a Frequency Switch Event, quarterly and (C) at any time following the occurrence of a Frequency Switch Event, semi-annually, in each case, for the period from (and including) the preceding Payment Date (or in the case of the first Payment Date, the Issue Date) to (but excluding) the following Payment Date, in each case in arrear on each Payment Date.

(ii) *Subordinated Notes*

Interest shall be payable on the Subordinated Notes to the extent funds are available in accordance with paragraph (CC) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments on each Payment Date or other relevant payment date and shall continue to be payable in accordance with this Condition 6 (*Interest*) notwithstanding redemption in full of any Subordinated Note at its applicable Redemption Price.

Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of €1 principal amount of each such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of each such Class of Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 principal shall no longer remain Outstanding and each such Class of Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Subordinated Notes but shall only be payable on any Payment Date or other payment date following payment in full of amounts payable pursuant to the Priorities of Payments on such Payment Date or other payment date.

(b) *Interest Accrual*

(i) *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 Note up to that

day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) *Subordinated Notes*

Payments on the Subordinated Notes will cease to be payable in respect of each Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds or, where applicable, other net proceeds of enforcement of the security over the Collateral, remain available for distribution in accordance with the Priorities of Payments.

(c) *Deferral of Interest*

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 Payments.

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)(i) (*Deferred Interest*) otherwise be due and payable in respect of such Class on any Payment Date (each such amount being referred to as "**Deferred Interest**") will not be payable on such Payment Date, but will be added to the principal amount of the Class 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 the holders of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable, will not be an Event of Default until the Maturity Date or any earlier date on which the Notes are to be redeemed in full.

(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 Priority of Payments, the Principal Priority of Payments and the Post-Acceleration Priority of Payments and under the Note Payment Sequence in each place specified in the Priorities of Payments, to the extent that Interest Proceeds or Principal Proceeds, as applicable, or, where applicable, other net proceeds of enforcement of the security over the Collateral, are available to make such payment in accordance with the Priorities of Payments (and, if applicable, the Note Payment Sequence). For the avoidance of doubt, 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 Fixed Rate Notes*

The Calculation Agent will calculate the amount of interest (an "**Interest Amount**") payable in respect of the Class A-2 Notes, the Class A-3 Notes and the Class B-2 Notes for the relevant Accrual Period by applying the Class A-2 Fixed Rate of Interest, the Class A-3 Fixed Rate of Interest, or the Class B-2 Fixed Rate of Interest (as applicable) to an amount equal to the Principal Amount Outstanding in respect of the Class A-2 Notes, the Class A-3 Notes and the Class B-2 Notes (as applicable), 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 A-2 Fixed Rate of Interest**" means 1.70 per cent. per annum;

"Class A-3 Fixed Rate of Interest" means 1.67 per cent. per annum provided that such Class A-3 Fixed Rate of Interest shall only apply to the Class A-3 Notes during the Class A-3 Fixed Rate Period.

Following the expiry of the Class A-3 Fixed Rate Period, the Class A-3 Notes shall cease to be Fixed Rate Notes and shall be classified as Floating Rate Notes and treated accordingly; and

"**Class B-2 Fixed Rate of Interest**" means 2.59 per cent. per annum.

(f) *Interest on the Floating Rate Notes*

Floating Rate of Interest

The rate of interest from time to time in respect of the Class A-1 Notes (the "**Class A-1 Floating Rate of Interest**"), in respect of the Class A-3 Notes following the expiry of the Class A-3 Fixed Rate Period (the "**Class A-3 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**"), 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 the offered rate by reference to a straight line interpolation between six and nine month Euro deposits;

(2) in the case of an Accrual Period prior to the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for three months Euro deposits; and

(3) in the case of an Accrual Period following the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for six months Euro deposits or, in the case of the Accrual Period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date, if such final Payment Date falls in July 2029, the Calculation Agent will determine the offered rate for three 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-1 Floating Rate of Interest, the Class A-3 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 the rate which so appears, all as determined by the Calculation Agent.

(B) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (1) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks (selected by the Issuer) 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, the offered rate by reference to a straight line interpolation between six and nine month Euro deposits;

(2) in the case of an Accrual Period prior to the occurrence of a Frequency Switch Event, for a period of three months; and

(3) in the case of an Accrual Period following the occurrence of a Frequency Switch Event, for a period of six months or, in the case of the Accrual Period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date, if such final Payment Date falls in July 2029, for a period of three months (as determined by the Calculation Agent),

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question. The Class A-1 Floating Rate of Interest, the Class A-3 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 such quotations (or of such of them, being at least two, as are so provided), all as determined by the Calculation Agent.

(C) If on any Interest Determination Date one only or none of the Reference Banks provides such quotation, the Class A-1 Floating Rate of Interest, the Class A-3 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-1 Floating Rate of Interest, the Class A-3 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.

(D) Where:

"**Applicable Margin**" means:

(1) in the case of the Class A-1 Notes: 1.35 per cent. per annum (the "**Class A-1 Margin**");

(2) in the case of the Class A-3 Notes; 1.35 per cent. per annum (the "**Class A-3 Margin");**

(3) in the case of the Class B-1 Notes: 2.05 per cent. per annum (the "**Class B-1 Margin**");

(4) in the case of the Class C Notes: 2.80 per cent. per annum (the "**Class C Margin**");

(5) in the case of the Class D Notes: 3.55 per cent. per annum (the "**Class D Margin**");

(6) in the case of the Class E Notes: 4.75 per cent. per annum (the "**Class E Margin**"); and

(7) in the case of the Class F Notes: 6.00 per cent. per annum (the "**Class F Margin**").

(E) Notwithstanding paragraphs (A) through (D) above, if, in relation to any Interest Determination Date (and with respect to the Class A-3 Notes, in relation to each Accrual Period following the expiry of the Class A-3 Fixed Rate Period), EURIBOR in respect of the Class A-1 Notes, the Class A-3 Notes, the Class B-1 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as determined in accordance with paragraphs (A), (B) and (C) above would yield a rate less than zero, such rate shall be deemed to be zero for the purposes of determining the Floating Rate of Interest pursuant to this Condition 6(f) *(Interest on the Floating Rate Notes*).

(ii) *Determination of Floating Rate of Interest and Calculation of Interest Amount*

The Calculation Agent will, as soon as practicable after 11.00 am (Brussels time) on each Interest Determination Date, but in no event later than the Business Day after such date, determine the Class A-1 Floating Rate of Interest, the Class A-3 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-1 Notes, the Class A-3 Notes, the Class B-1 Notes, the Class C Notes, the Class D Notes, the Class E Notes, and the Class F Notes for the relevant Accrual Period. The amount of interest (the "**Interest Amount**") payable in respect of such Notes shall be calculated by applying the Class A-1 Floating Rate of Interest in the case of the Class A-1 Notes, the Class A-3 Floating Rate of Interest in the case of the Class A-3 Notes, the Class B-1 Floating Rate of Interest in the case of the Class B-1 Notes, the Class C Floating Rate of Interest in the case of the Class C Notes, the Class D Floating Rate of Interest in the case of the Class D Notes, the Class E Floating Rate of Interest in the case of the Class E Notes and the Class F Floating Rate of Interest in the case of the Class F Notes, respectively, to an amount equal to the Principal Amount Outstanding in respect of the relevant Class of Notes, multiplying the product by the actual number of days in the Accrual Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

(iii) *Reference Banks and Calculation Agent*

The Issuer will procure that, so long as any Rated Note remains Outstanding:

(A) a Calculation Agent shall be appointed and maintained for the purposes of determining the interest rate and interest amount payable in respect of the Notes; and

(B) in the event that a Floating Rate of Interest is to be calculated by Reference Banks pursuant to paragraph (2) of Condition 6(f)(i) (Floating Rate of Interest), that the number of Reference Banks required pursuant to such paragraph (2) are requested to provide a quotation.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any Floating Rate of Interest for any Accrual Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(g) *Proceeds in respect of Subordinated Notes*

Solely in respect of Subordinated Notes, the Collateral Administrator will as of each Determination Date calculate the Interest Proceeds and/or Principal Proceeds payable to the extent of available funds in respect of an original principal amount of Subordinated Notes for the relevant Accrual Period. The Interest Proceeds and/or Principal Proceeds payable on each Payment Date in respect of an original principal amount of Subordinated Notes shall be calculated by multiplying the amount of Interest Proceeds and/or Principal Proceeds to be applied on the Subordinated Notes on the applicable Payment Date pursuant to paragraph (CC) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments by fractions equal to the original principal amount of the Subordinated Notes divided by the aggregate original principal amount of the Subordinated Notes.

(h) *Publication of Floating Rates of Interest, Interest Amounts and Deferred Interest*

The Calculation Agent will cause each Floating Rate of Interest, the Interest Amounts payable in respect of each Class of Rated Notes and 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 and the Principal Amount Outstanding of each Class of Notes as of the applicable Payment Date to be notified to the Registrar, the Principal Paying Agent, the Transfer Agent, the Trustee and the Collateral Manager, for so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange, the Irish Stock Exchange as soon as possible after their determination but in no event later than the fourth Business Day thereafter, and the Principal Paying Agent shall cause each such rate, amount and date to be notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Principal Paying Agent but in no event later than the third Business Day after such notification. The Interest Amounts in respect of any Class of

Notes so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(i) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason so calculate a Floating Rate of Interest, the Trustee (or a person appointed by it for the purpose) may do so and such determination or calculation shall be deemed to have been made by the Calculation Agent and shall be binding on the Noteholders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition 6 (*Interest*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and in reliance on such persons as it has appointed for such purpose. The Trustee shall have no liability to any person in connection with any determination or calculation (including with regard to the timelines thereof) it may make pursuant to this Condition 6(i) (*Determination or Calculation by Trustee*).

(j) *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 Transfer Agent and all Noteholders and (in the absence of the negligence, fraud or wilful default of the Reference Banks, the Calculation Agent or the Trustee (as applicable)) no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Calculation Agent or the Trustee in connection with the exercise, delay in exercising or non-exercise by them of their powers, duties and discretions under this Condition 6(j) (*Notifications, etc. to be Final*).

The Issuer shall use its best efforts to procure that notice is given to the Class A-3 Noteholders in accordance with these Conditions, of any redemption or prepayment in whole or in part in respect of the Class A-3 Notes during the Class A-3 Fixed Rate Period, in each case no later than 3 Business Days prior to the applicable date of such redemption or prepayment.

7. Redemption and Purchase

(a) *Final Redemption*

Save to the extent previously redeemed in full and cancelled, the Notes of each Class will be redeemed on the Maturity Date of such Notes. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Rated Notes will be redeemed at their Redemption Price in accordance with the Priorities of Payments and the Subordinated Notes will be redeemed at the amount equal to their share of the amounts of Principal Proceeds to be applied towards such redemption pursuant to paragraph (U) of the Principal Priority of Payments. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) *Optional Redemption*

(i) *Optional Redemption in Whole - Subordinated Noteholders*

Subject to the provisions of Condition 7(b)(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:

(A) on any Payment Date falling on or after expiry of the Non-Call Period at the option of the holders of the Subordinated Notes acting by way of Ordinary Resolution (as evidenced by duly completed Redemption Notices);

(B) upon the occurrence of a Collateral Tax Event, on any Payment Date falling after such occurrence at the direction of the Subordinated Noteholders acting by Extraordinary Resolution (as evidenced by duly completed Redemption Notices);

(ii) *Optional Redemption in Part - Subordinated Noteholders or Collateral Manager*

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), the Rated Notes of any Class (other than the Class A-3 Notes at any time during the Class A-3 Fixed Rate Period) 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 Payment Date falling on or after expiry of the Non-Call Period if the Subordinated Noteholders (acting by way of Ordinary Resolution) or the Collateral Manager direct the Issuer to redeem such Class of Rated Notes. No such Optional Redemption may occur unless the Rated Notes to be redeemed represent 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*), the Notes may be redeemed in whole but not in part by the Issuer, at the applicable Redemption Prices, from Sale Proceeds on any Business Day falling on or after expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Collateral Principal Amount is less than 15 per cent. of the Target Par Amount and if directed in writing by the Collateral Manager.

(iv) *Terms and Conditions of an Optional Redemption*

In connection with any Optional Redemption:

(A) the Issuer shall procure that at least 30 days' prior written notice of such Optional Redemption (but stating that such redemption is subject to satisfaction of the conditions set out in this Condition 7(b) (*Optional Redemption*)), including the applicable Redemption Date, and the relevant Redemption Price of the Rated Notes therefor, is given to the Trustee and the Noteholders in accordance with Condition 16 (*Notices*);

(B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices (subject, in the case of an Optional Redemption of the Rated Notes in whole, to the right of holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes). Such right shall be exercised by delivery by each holder of the relevant Class of Rated Notes of a written direction confirming such holder's election to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to it, together with evidence of their holding to the Issuer and the Collateral Manager no later than 30 days prior to the relevant Redemption Date;

(C) the Collateral Manager shall have no right or other ability to prevent an Optional Redemption directed by the Subordinated Noteholders in accordance with this Condition 7(b) (*Optional Redemption*);

(D) any such redemption must comply with the procedures set out in Condition 7(b)(vii) (*Mechanics of Redemption*); and

(E) any redemption in part of the Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part - Subordinated Noteholders or Collateral Manager*) may be effected solely from Refinancing Proceeds in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below.

(v) *Optional Redemption effected in whole or in part through Refinancing*

Following receipt of, or, as the case may be, confirmation from the Principal Paying Agent of receipt of, a direction in writing from the Subordinated Noteholders (acting by way of Ordinary Resolution) to exercise any right of optional redemption pursuant to Condition 7(b)(i) (*Optional Redemption in Whole - Subordinated Noteholders*) or Condition 7(b)(ii) (*Optional Redemption in Part - Subordinated Noteholders or 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 (or, in relation to the Class A Notes, the redemption of the entire tranche of Class A-1 Notes and/or Class A-2 Notes and/or Class A-3 Notes and in relation to the Class B Notes, the redemption of the entire tranche of Class B-1 Notes and/or Class B-2 Notes, provided that the Class A-3 Notes may not be redeemed pursuant to Condition 7(b) (ii) (*Optional Redemption in Part – Subordinated Noteholders or Collateral Manager*) at any time during the Class A-3 Fixed Rate Period), issue replacement notes, (in accordance with the provisions of the Dutch FSA) (each, a "**Refinancing Obligation**"),

whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer (any such refinancing, a "**Refinancing**"). The terms of any Refinancing and the identity of any financial institutions acting as lenders or purchasers thereunder are subject to the prior written consent of the Subordinated Noteholders (acting by way of 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 - Subordinated Noteholders*). In addition, Refinancing Proceeds may be applied in the redemption of the Rated Notes of any by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part - Subordinated Noteholders or Collateral Manager*).

(C) *Refinancing in relation to a Redemption in Whole*

In the case of a Refinancing in relation to the redemption of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole - Subordinated Noteholders*) as described above, such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to the Rating Agencies and each Hedge Counterparty;

(2) all Principal Proceeds, all Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Obligations, Eligible Investments, Exchanged Securities and Collateral Enhancement Obligations and all other available funds will be at least sufficient to pay any Refinancing Costs and all amounts due and payable in respect of all Classes of Notes (including, for the avoidance of doubt, any Class A-3 Make-Whole Amount payable by the Issuer to the Class A-3 Noteholders in accordance with these Conditions) save for the Subordinated Notes (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 Payments (subject to any election to receive less than 100 per cent. of the Redemption Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments;

(3) all Principal Proceeds, Refinancing Proceeds, Sale Proceeds, 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, all Principal Proceeds and all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as confirmed to the Issuer and the Trustee by the Collateral Manager.

(D) *Refinancing in relation to a Redemption of any Class of Notes*

In the case of a Refinancing in relation to a redemption of the Rated Notes of any Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part - Subordinated Noteholders or Collateral Manager*), such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to the Rating Agencies and each Hedge Counterparty;

(2) the Refinancing Obligations are in the form of notes;

(3) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption;

(4) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Priority of Payments prior to paying any amount in respect of the Subordinated Notes will be at least sufficient to pay in full:

(i) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption; plus

(ii) 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 Notes being redeemed with the Refinancing Proceeds;

(8) the maturity date of each class of Refinancing Obligation is the same as the Maturity Date of the Class of Notes being redeemed with such Refinancing Proceeds;

(9) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption (taking into account any discount on issuance);

(10) payments in respect of the Refinancing Obligations are subject to the Priorities of Payments and rank at the same priority pursuant to the Priorities of Payments as the relevant Class or Classes of Rated Notes being redeemed;

(11) the voting rights, consent rights, redemption rights and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class of Rated Notes being redeemed;

(12) all Refinancing Proceeds are received by (or on behalf of) the Issuer prior to the applicable Redemption Date; and

(13) with respect to any Refinancing of the Class A-3 Notes, the Class A-3 Fixed Rate Period has expired,

in each case, as confirmed in writing to the Issuer and the Trustee by the Collateral Manager (upon which confirmation the Trustee shall rely without enquiry or liability).

If, in relation to a proposed optional redemption of the Notes (in part or in whole, as applicable), any of the relevant conditions specified in this Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) are not satisfied, the Issuer shall cancel the relevant redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Collateral Manager, the Collateral Administrator or the Trustee shall be liable to any party, including the Subordinated Noteholders, for any failure to obtain a Refinancing.

(E) *Consequential Amendments*

Following a Refinancing, the Trustee shall agree to the modification of the Trust Deed and the other Transaction Documents to the extent that the Issuer certifies (upon which certification the Trustee may rely absolutely and without enquiry or liability) that such modification is necessary to reflect the terms of the Refinancing, subject as provided below. No further consent for such amendments shall be required from the holders of Notes.

The Trustee will not be obliged to enter into any modification that, in its opinion, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the rights, powers, indemnities and protections, of the Trustee in respect of the Transaction Documents, and the Trustee will be entitled to conclusively rely upon an officer's certificate or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) provided by the Issuer or any other party to any Transaction Document to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Notes (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).

(vi) *Optional Redemption effected through Liquidation only*

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Principal Paying Agent of a direction in writing from the (i) Subordinated Noteholders (acting by way of Ordinary Resolution or Extraordinary Resolution, as applicable), (ii) the Controlling Class (acting by way of Extraordinary Resolution) or (iii) 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*) (as applicable) 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 Noteholders exercise their right of early redemption pursuant to this

Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*).

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio unless:

(A) at least five Business Days before the scheduled Redemption Date (or such shorter period as agreed between the Collateral Manager and the Collateral Administrator and no consent for such shorter period shall be required from the Trustee) the Collateral Manager shall have furnished to the Trustee a certificate (upon which certificate the Trustee may rely absolutely and without enquiry or liability) signed by an officer of the Collateral Manager that the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions (which (a) either (x) has a long-term senior unsecured credit rating of at least "A2" 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, or (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)) and (b) either (x) has a long-term issuer credit rating of at least "A" by Fitch or, if it does not have a long-term issuer credit rating by Fitch, a short-term issuer credit rating of "F1" by Fitch, or (y) in respect of which a Rating Agency Confirmation from Fitch has been obtained, to purchase (directly or by participation or other arrangement) from the Issuer, not later than the Business Day prior to the scheduled Redemption Date (or such shorter date as agreed between the Collateral Manager and the Trustee) in immediately available funds, all or part of the Portfolio at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date and (without duplication) the amounts standing to the credit of the Accounts which would be applied in accordance with the Post- Acceleration Priority of Payments if the Notes fell due for redemption in full to meet the Redemption Threshold Amount. 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 (upon being notified of such amounts by the Issuer); or

(B) (1) at least the Business Day before the scheduled Redemption Date (or such shorter date as agreed between the Collateral Manager and the Trustee), 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 and (without duplication) amounts standing to the credit of the Accounts which would be applied in accordance with the Post-Acceleration Priority of Payments if the Notes fell due for redemption in full, to meet the Redemption Threshold Amount, provided that, if the Issuer has received funds from a purchaser of one or more Collateral Obligations (in whole or in part), but such Collateral Obligations have not yet been disposed of by transfer of legal title, such funds will be included within the calculation of whether the Redemption Threshold Amount has been met; and

(2) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager confirms in writing to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale or maturing of Eligible Investments, and (B) for each Collateral Obligation, the product of its Principal Balance and its Market Value and (C) (without duplication) amounts standing to the credit of the Accounts which would be applied in accordance with the Post-Acceleration Priority of Payments if the Notes fell due for redemption in full, shall meet or exceed the Redemption Threshold Amount.

Any certification delivered by the Collateral Manager pursuant to this Condition 7(b)(vi) must include (1) the prices on the date of such certification of, and expected proceeds from, the sale (directly or by participation or other arrangement) or redemption of any Collateral Obligations and/or Eligible Investments (2) amounts standing to the credit of the Accounts which would

be applied in accordance with the Post-Acceleration Priority of Payments if the Notes fell due for redemption in full and (3) all calculations required by this Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*). Any Noteholder, the Collateral Manager or any of the Collateral Manager's Affiliates shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Obligations to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vi).

The Trustee shall rely conclusively and without enquiry or liability on any confirmation or certificate of the Collateral Manager furnished by it pursuant to or in connection with this Condition 7(b)(vi).

If any of the conditions (A) to (C) above are not satisfied, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager and the Noteholders in accordance with Condition 16 (*Notices*).

(vii) *Mechanics of Redemption*

Following calculation by the Collateral Administrator with the assistance of the Collateral Manager of the relevant Redemption Threshold Amount, if applicable, the Collateral Administrator shall make such other calculations as it is required to make pursuant to the Collateral Management and Administration Agreement and shall notify the Issuer, the Trustee, the Collateral Manager and the Principal Paying Agent.

Any exercise of a right of Optional Redemption by the Subordinated Noteholders pursuant to this Condition 7(b) (*Optional Redemption*) or the Controlling Class or the Subordinated Noteholders pursuant to Condition 7(g) (*Redemption Following Note Tax Event*) shall be effected by delivery to the Principal Paying Agent, by the requisite amount of Subordinated Noteholders or the requisite amount of Notes comprising the Controlling Class (as applicable) held thereby (in respect of which such right is exercised and presenting such Definitive Certificate or Global Certificate for endorsement of exercise) of duly completed Redemption Notices not less than 30 days prior to the proposed Redemption Date. No Redemption Notice so delivered or any direction given by the Collateral Manager may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Collateral Manager received to each of the Issuer, the Trustee, the Collateral Administrator, the Hedge Counterparties and the Collateral Manager.

The Collateral Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and the Principal Paying Agent upon satisfaction of all of the conditions set out in this Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*) and shall use commercially reasonable endeavours to arrange for liquidation and/or realisation of the Portfolio in whole or in part as necessary, on behalf of the Issuer in accordance with the Collateral Management and Administration Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with this Condition 7(b) and/or Condition 7(g) (*Redemption following Note Tax Event*) (as applicable) in the Payment Account on or before the Business Day prior to the applicable Redemption Date. Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of the Rated Notes shall be payable in accordance with the Post-Acceleration Priority of Payments. In the case of any redemption in whole of a Class of Rated Notes the relevant Refinancing Proceeds (other than a redemption in whole of all Classes of Rated Notes) shall be paid to the Noteholders of such Class of Notes subject to payment of amounts in priority in accordance with the Priorities of Payments.

(viii) *Optional Redemption of Subordinated Notes*

The Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Business Day on or after the redemption or repayment in full of the Rated Notes, at the direction of the Subordinated Noteholders (acting by way of Ordinary Resolution).

(c) *Mandatory Redemption upon Breach of Coverage Tests or Interest Diversion Test*

(i) *Class A Notes and Class B Notes*

If the Class A/B Par Value Test is not satisfied on any Determination Date on and after the Effective Date or if the Class A/B Interest Coverage Test is not satisfied on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes and the Class B Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(ii) *Class C Notes*

If the Class C Par Value Test is not satisfied on any Determination Date on and after the Effective Date or if the Class C Interest Coverage Test is not satisfied on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes and the Class C Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated immediately following such redemption.

(iii) *Class D Notes*

If the Class D Par Value Test is not satisfied on any Determination Date on or after the Effective Date or if the Class D Interest Coverage Test is not satisfied on the Determination Date immediately preceding the second Payment Date 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 Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated immediately following such redemption.

(iv) *Class E Notes*

If the Class E Par Value Test is not satisfied on any Determination Date on or after the Effective Date or if the Class E Interest Coverage Test is not satisfied on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated immediately following such redemption.

(v) *Interest Diversion Test*

If the Interest Diversion Test is not met on any Determination Date after the expiry of the Reinvestment Period, Interest Proceeds (in the amount specified in paragraph (V) of the Interest Priority of Payment 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 the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until the Interest Diversion Test is satisfied if recalculated following such redemption.

(d) *Special Redemption*

Principal payments on the Notes shall be made in accordance with the Principal Priority of Payments at the discretion of the Collateral Manager (acting on behalf of the Issuer), if at any time during the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) certifies (upon which certification the Trustee may rely without enquiry or liability) to the Trustee that, using commercially reasonable endeavours, it has been unable, for a period of 20 consecutive Business Days, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by

the Collateral Manager in its sole discretion which meet the Eligibility Criteria and, to the extent applicable, the Reinvestment Criteria, in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account that are to be invested in additional Collateral Obligations or Substitute Collateral Obligations (a "**Special Redemption**"). On the first Payment Date following the Due Period in which such certification is given (a "**Special Redemption Date**"), the funds in the Principal Account representing Principal Proceeds which, using commercially reasonable endeavours, cannot be reinvested in additional Collateral Obligations or Substitute Collateral Obligations by the Collateral Manager (a "**Special Redemption Amount**") will be applied in accordance with paragraph (P) of the Principal Priority of Payments. Notice of payments pursuant to this Condition 7(d) (*Special Redemption*) shall be given by the Issuer in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to the Noteholders and to each Rating Agency. For the avoidance of doubt, the exercise of a Special Redemption shall be at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer) and the Collateral Manager shall be under no obligation to, or have any responsibility to, any Noteholder or any other person for the exercise or non-exercise (as applicable) of such Special Redemption.

(e) *Redemption upon Effective Date Rating Event*

In the event that as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payments, in each case, until redeemed in full or, if earlier, until an Effective Date Rating Event is no longer continuing.

(f) *Redemption following Expiry of the Reinvestment Period*

Following expiry of the Reinvestment Period, the Issuer shall, on each Payment Date occurring thereafter, apply Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date in redemption of the Notes at their applicable Redemption Prices in accordance with the Priorities of Payments.

(g) *Redemption following Note Tax Event*

Upon the occurrence of a Note Tax Event, the Issuer shall, subject to and in accordance with the terms of the Trust Deed, use all reasonable efforts to change the territory in which it is resident for tax purposes to another jurisdiction which, at the time of such change, would not give rise to a Note Tax Event. Upon the earlier of (a) the date upon which the Issuer certifies (upon which certification the Trustee may rely without enquiry or liability) to the Trustee that it is not able to effect such change of residence and (b) the date which is 90 days from the date upon which the Issuer first becomes aware of such Note Tax Event (provided that such 90 day period shall be extended by a further 90 days in the event that during the former period the Issuer has notified (or procured the notification of) the Trustee and the Noteholders that, based on advice received by it, it expects that it shall have changed its place of residence by the end of the latter 90 day period), the Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, may elect that the Notes of each Class are redeemed, in whole but not in part, on any Payment Date thereafter, at their respective Redemption Prices in accordance with the Note Payment Sequence, in which case the Issuer shall so redeem the Notes on such terms, provided that such Note Tax Event would affect payment of principal or interest in respect of the Controlling Class or, as the case may be, the Subordinated Notes (in addition to any other Class of Notes) on such Payment Date; provided further that such redemption of the Notes, whether pursuant to the exercise of such option by the Controlling Class or the Subordinated Noteholders, shall take place in accordance with the procedures set out in Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

(h) *Redemption*

Unless otherwise specified in this Condition 7 (*Redemption and Purchase*), all Notes in respect of which any notice of redemption is given shall be redeemed on the Redemption Date at their applicable Redemption Prices and to the extent specified in such notice and in accordance with the requirements of this Condition 7 (*Redemption and Purchase*).

(i) *Cancellation and Purchase*

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein for cancellation pursuant to paragraph (k) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

In respect of Notes represented by a Global Certificate, cancellation of any Note required by the Terms and Conditions to be cancelled will be effected by reduction in the principal amount of the Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

(j) *Notice of Redemption*

The Issuer shall procure that notice of any redemption in accordance with this Condition 7 (*Redemption and Purchase*) (which notice shall be irrevocable) is given to the Trustee and Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies.

(k) *Purchase*

On any Payment Date, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement, the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using Principal Proceeds standing to the credit of the Principal Account (other than Sale Proceeds in respect of the sale of Credit Improved Obligations or Interest Proceeds paid into the Principal Account pursuant to paragraph (U) of the Interest Priority of Payments), amounts standing to the credit of the Supplemental Reserve Account, any Deferred Senior Collateral Management Amounts or Deferred Subordinated Collateral Management Amounts or the proceeds from the issuance of additional Subordinated Notes.

No purchase of Rated Notes by the Issuer may occur (other than pursuant to Condition 2(h) (*Forced Transfer of Rule 144A Notes*), Condition 2(i) (*Forced Transfer pursuant to ERISA*) or Condition 2(j) (*Forced Transfer pursuant to FATCA*) unless each of the following conditions is satisfied:

(i) (A) such purchase of Rated Notes shall occur in the following sequential order of priority: *first*, the Class A Notes (on a *pro rata* and *pari passu* basis), until the Class A Notes are purchased or redeemed in full and cancelled; *second*, the Class B Notes (on a *pro rata* and *pari passu* basis), until the Class B Notes are purchased or redeemed in full and cancelled; *third*, the Class C Notes, until the Class C Notes are purchased or redeemed in full and cancelled; *fourth*, the Class D Notes, until the Class D Notes are purchased or redeemed in full and cancelled; *fifth*, the Class E Notes, until the Class E Notes are purchased or redeemed in full and cancelled; and *sixth*, the Class F Notes, until the Class F Notes are purchased or redeemed in full and cancelled;

(B) (1) each such purchase of Rated Notes of any Class shall be made pursuant to an offer made to all holders of the Rated Notes of such Class, by notice to such holders, which notice shall specify the purchase price (as a percentage of par) at which such purchase will be effected, the maximum amount of Principal Proceeds and 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;

(2) subject to compliance with all applicable laws, each such holder of a Rated Note shall have the right, but not the obligation, to accept such offer in accordance with its terms; and

(3) if the aggregate Principal Amount Outstanding of Notes of the relevant Class held by holders who accept such offer exceeds the amount of Principal Proceeds specified in such offer, a portion of the Notes of each accepting holder shall be purchased *pro rata* based on the respective Principal Amount Outstanding held by each such holder subject to adjustment for Authorised Denominations if required;

(C) each such purchase shall be effected only at prices discounted from the Principal Amount Outstanding of the relevant Notes;

(D) each such purchase of Rated Notes shall occur prior to the expiry of the Reinvestment Period;

(E) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase or, if any Coverage Test is not satisfied it shall be at least maintained or improved after giving effect to such purchase compared with what it was immediately prior thereto;

(F) if Sale Proceeds are used to consummate any such purchase, either:

(1) each requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Test will be satisfied after giving effect to such purchase; or

(2) if any requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Test was not satisfied immediately prior to such purchase, such requirement or test will be maintained or improved after giving effect to such purchase;

(G) no Event of Default shall have occurred and be continuing;

(H) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold;

(I) in respect of any purchase of Fixed Rate Notes, immediately following such purchase the Aggregate Principal Balance of all Fixed Rate Collateral Obligations is not greater than 105 per cent. of the aggregate Principal Amount Outstanding of the Fixed Rate Notes;

(J) each Rating Agency is notified of such purchase; and

(K) 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.

(l) *Class A-3 Make*-Whole *Amount*

The Collateral Administrator shall calculate and the Issuer shall pay an amount equal to the Class A-3 Make-Whole Amount on a *pro rata* basis to each Class A-3 Noteholder in connection with any redemption or prepayment of the Class A-3 Notes in whole or in part at any time during the Class A-3 Fixed Rate Period (for the avoidance of doubt including, without limitation, any mandatory redemption in part in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests or Interest Diversion Test*) or any prepayment upon acceleration of the Class A-3 Notes in accordance with Condition 10(b) (*Acceleration*)), any such Class A-3 Make-Whole Amount to be payable by the Issuer on the related date of redemption or prepayment in each case in accordance with the applicable Priorities of Payment. For the avoidance of doubt, no Class A-3 Make-Whole Amount shall be capitalised and no interest shall accrue, or be payable, in respect of any outstanding Class A-3 Make-Whole Amount at any time.

8. Payments

(a) *Method of Payment*

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of the Principal Paying Agent by wire transfer. Payments of interest and, prior to redemption in full thereof, principal in respect of each Note will be made by wire transfer to the holder (or to the first named of joint holders) of the Note appearing on the Register at the close of business on the Record

Date at his address shown on the Register on the Record Date. Upon application of the holder to the specified office of the Principal Paying Agent not less than five Business Days before the due date for any payment in respect of a Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of such Note as provided above) by wire transfer, in immediately available funds, on the due date to a Euro account maintained by the payee with a bank in Western Europe.

Payments of principal upon final redemption in respect of each Note represented by a Global Certificate will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Global Certificate at the specified office of the Principal Paying Agent by wire transfer. Payments of interest and, prior to redemption in full thereof, principal in respect of each Note represented by a Global Certificate will be made by wire transfer to the holder (or to the first named of joint holders) of the Registered Certificate appearing on the Register at the close of business on the Record Date at his address shown on the Register on the Record Date. On each occasion on which a payment of interest or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

(b) *Payments*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives (including FATCA), but without prejudice to the provisions of Condition 9 (*Taxation*). No commission shall be charged to the Noteholders.

(c) *Payments on Presentation Days*

A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date falls after the due date.

If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.

(d) *Principal Paying Agent and Transfer Agent*

The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent and the Transfer Agent and appoint additional or other Agents, provided that it will maintain (i) a Principal Paying Agent and (ii) a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or any arrangement entered into between the EU member states and certain third countries and territories in connection with the Directive, in each case, as approved in writing by the Trustee and shall procure that it shall at all times maintain a Custodian, Account Bank, Collateral Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Collateral Manager or Collateral Administrator will promptly be given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

9. Taxation

(a) *General*

All payments of principal and interest in respect of the Notes 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 any jurisdiction, or any political sub-division or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders of any Class and shall withhold or deduct from any such payments any amounts on account of such tax where so required by law (including FATCA) or any such relevant

taxing authority. Any withholding or deduction shall not constitute an Event of Default under Condition 10(a) (*Events of Default*).

Payments will be subject in all other cases to any other fiscal or other laws and regulations applicable thereto in any jurisdiction and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws or regulations.

(b) *Substitution*

Subject as provided below, if the Issuer certifies (upon which certification the Trustee may rely without enquiry or liability) to the Trustee that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by law to withhold or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (save as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved by the Trustee as the principal obligor under the Notes of such Class, or to change its tax residence to another jurisdiction approved by the Trustee, subject to receipt of Rating Agency Confirmation in relation to such change, provided that the Trustee's approval shall be subject to confirmation of tax counsel (at the cost of the Issuer) that such a substitution and/or change in tax residence would be effective in eliminating the imposition of such tax.

Notwithstanding the above, if any taxes referred to in this Condition 9 (*Taxation*) arise:

(i) due to any present or former connection of any Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Noteholder if such Noteholder is an estate, a trust, a partnership, or a corporation) with The Netherlands (including without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having had a permanent establishment therein) otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof;

(ii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with 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 noncorporate 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 EU 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 Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Transfer Agent in an EU member state of the European Union;

(v) under FATCA or as a result of the Noteholder's failure to provide the Issuer with appropriate tax forms and other documentation reasonably requested by the Issuer; or

(vi) any combination of the preceding clauses (a) through (e) inclusive,

the requirement to substitute the Issuer as a principal obligor and/or change its residence for taxation purposes shall not apply.

10. Events of Default

(a) *Events of Default*

Any of the following events shall constitute an "**Event of Default**":

(i) *Non-payment of interest*

the Issuer fails to pay any interest in respect of the Class A Notes or the Class B Notes when the same becomes due and payable and following the occurrence of a Frequency Switch Event, in respect of (i) the Class C Notes, if such Class of Notes is the Controlling Class; (ii) the Class D Notes, if such Class of Notes is the Controlling Class; (iii) the Class E Notes, if such Class of Notes is the Controlling Class; and (iv) the Class F Notes, if such Class of Notes is the Controlling Class, and in each case failure to pay such interest in such circumstances continues for a period of at least five Business Days provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least seven Business Days after the Issuer, the Collateral Administrator and the Principal Paying Agent receive written notice of, or have 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 an Event of Default;

(ii) *Non-payment of principal*

the Issuer fails to pay any principal when the same becomes due and payable on any Rated Note on the Maturity Date or any Redemption Date provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least five Business Days after the Issuer, the Collateral Administrator or the Principal Paying Agent 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 an Event of Default;

(iii) *Default under Priorities of Payments*

the failure on any Payment Date to disburse amounts (other than (i) or (ii) above) available in the Payment Account in excess of €1,000 and payable in accordance with the Priorities of Payments and continuation of such failure for a period of five Business Days or, in the case of a failure to disburse due to an administrative error or omission or another non-credit-related reason (as determined by the Collateral Manager acting in a commercially reasonable manner and certified in writing to the Trustee (upon which certification the Trustee may rely absolutely and without enquiry or liability), but without liability as to such determination) by the Issuer or the Collateral Administrator, as the case may be, such failure continues for ten Business Days after the Issuer or the Collateral Administrator receives written notice of, or has actual knowledge of, such administrative error or omission;

(iv) *Collateral Obligations*

on any Measurement Date after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to (1) the Collateral Principal Amount plus (2) the aggregate in respect of each Defaulted Obligation of its Market Value multiplied by its Principal Balance on such date and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A Notes, to equal or exceed 102.5 per cent.;

(v) *Breach of Other Obligations*

except as otherwise provided in this definition of "Event of Default", a default in a material respect in the performance by, or breach in a material respect of any material covenant of, the Issuer under the Trust Deed and/or these Conditions (provided that any failure to meet any Portfolio Profile Test, Collateral Quality Test, Coverage Test or Interest Diversion Test is not an Event of Default and any failure to satisfy the Effective Date Determination Requirements is not an Event of Default, except in either case to the extent provided in paragraph (iv) above) or the failure of any material representation, warranty, undertaking or other agreement of the Issuer made in the Trust Deed and/or these Conditions or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 45 days after the earlier of (a) the Issuer having actual knowledge of

such default, breach or failure or (b) notice being given to the Issuer, the Hedge Counterparties and the Collateral Manager by registered or certified mail or courier from the Trustee, the Issuer or the Collateral Manager, or to the Issuer and the Collateral Manager from the Controlling Class acting pursuant to an Ordinary Resolution, in each case copied to the Trustee (as applicable), specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**" under the Trust Deed; provided that if the Issuer (as notified to the Trustee by the Collateral Manager in writing) has commenced curing such default, breach or failure during the 45 day period specified above, such default, breach or failure shall not constitute an Event of Default under this paragraph (v) unless it continues for a period of 60 days (rather than, and not in addition to, such 45 day period specified above) after the earlier of the Issuer having actual knowledge thereof or 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, examinership, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, examiner, curator or other similar insolvency official (a "**Receiver**") is appointed in relation to such proceedings and the whole or any substantial part (in the opinion of the Trustee) of the undertaking or assets of the Issuer and in any of the foregoing cases, except in relation to the appointment of a Receiver, is not discharged within 30 days; or the Issuer is subject to, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Controlling Class);

(vii) *Illegality*

it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes; or

(viii) *Investment Company Act*

the Issuer or any of the Collateral becomes required to register as an "**Investment Company**" under the Investment Company Act and such requirement continues for 45 days.

(b) *Acceleration*

If an Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by way of Extraordinary Resolution, (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) give notice to the Issuer, the Hedge Counterparties and the Collateral Manager that all the Notes are immediately due and repayable (such notice, an "**Acceleration Notice**"), whereupon the Notes shall become immediately due and repayable at their applicable Redemption Prices, provided that upon the occurrence of an Event of Default described in paragraph (vi) of the definition thereof, an Acceleration Notice shall be deemed to have been given and all the Notes shall automatically become immediately due and repayable at their applicable Redemption Prices.

(c) *Curing of Event of Default*

At any time after an Acceleration Notice (deemed or otherwise) has been given and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee, subject to receipt of consent in writing from the Controlling Class, may and shall, if so requested by the Controlling Class, in each case, acting by Extraordinary Resolution, (and subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which

may be incurred by it in connection therewith) rescind and annul such Acceleration Notice and its consequences if:

(i) the Issuer has paid or deposited with the Trustee (or to its order) a sum sufficient to pay:

(A) all overdue payments of interest and principal on the Notes, other than the Subordinated Notes;

(B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee;

(C) all unpaid Administrative Expenses and Trustee Fees and Expenses; 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 Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under paragraph (b) above due to such Events of Default, have been cured or waived.

Any previous rescission and annulment of a notice of acceleration pursuant to this paragraph (c) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or, as subsequently requested, accelerates the Notes or if the Notes are automatically accelerated in accordance with paragraph (b) above.

(d) *Restriction on Acceleration*

No acceleration of the Notes shall be permitted by any Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(e) *Notification and Confirmation of No Default*

The Issuer shall immediately notify the Trustee, the Collateral Manager, the Noteholders (in accordance with Condition 16 (*Notices*)) and the Rating Agencies upon becoming aware of the occurrence of an Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis that no Event of Default has occurred and that no condition, event or act has occurred which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition would constitute an Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

11. Enforcement

(a) *Security Becoming Enforceable*

Subject as provided in paragraph (b) below, the security constituted by the Trust Deed over the Collateral shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*).

(b) *Enforcement*

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion (but subject always to Condition 4(c) (*Limited Recourse and Non-Petition*)), and shall, if so directed by the Controlling Class acting by Extraordinary Resolution, (subject, in each case, as provided in Condition 11(b)(ii) (*Enforcement*)), institute such proceedings or take such other action against the Issuer or take any other action as it may think fit to enforce the terms of the Trust Deed and the Notes and pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such other action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce or realise the security over the Collateral in accordance with the Trust Deed (such actions together, "**Enforcement Actions**"), in each case without

any liability as to the consequences of such action and without having regard (save to the extent provided in Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)) to the effect of such action on the individual Noteholders of any Class or any other Secured Party **provided however that**:

(i) no such Enforcement Action may be taken by the Trustee unless:

(A) subject to being indemnified and/or secured and/or prefunded to its satisfaction, the Trustee (or an agent or appointee on its behalf) determines subject to consultation by the Trustee or such agent or appointee with the Collateral Manager that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in priority to the Subordinated Notes pursuant to the Post-Acceleration Priority of Payments (such amount the "**Enforcement Threshold**" and such determination being an "**Enforcement Threshold Determination**") and the Controlling Class agrees with such determination by an Extraordinary Resolution, (in which case the Enforcement Threshold will be met); or

(B) if the Enforcement Threshold will not have been met then, subject as provided in paragraph (ii) below, in the case of an Event of Default specified in sub-paragraph (i), (ii), (iv) or (vi) of Condition 10(a) (*Events of Default*), the Controlling Class directs the Trustee by Extraordinary Resolution to take Enforcement Action without regard to any other Event of Default which has occurred prior to, contemporaneously with or subsequent to such Event of Default;

(ii) subject as provided above, 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 the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith. Following redemption and payment in full of the Rated Notes, the Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) act upon the directions of the Subordinated Noteholders acting by Extraordinary Resolution; and

(iii) for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio, the anticipated proceeds to be realised from any Enforcement Action and whether the Enforcement Threshold will be met, the Trustee may appoint an independent investment banking firm or other appropriate advisor to advise it and may obtain and rely on an opinion and/or advice of such independent investment banking firm or other appropriate advisor (the cost of which shall be payable as Trustee Fees and Expenses and shall not be liable for any liability arising directly or indirectly from any action taken or not taken by the Trustee in connection with such opinion or advice).

The Trustee shall notify the Noteholders, the Issuer, the Agents, the Collateral Manager, the Hedge Counterparties and the Rating Agencies in the event that it makes an Enforcement Threshold Determination at any time or takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following the effectiveness of an Acceleration Notice which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Event of Default*) or, as the case may be following automatic acceleration of the Notes or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or 7(g) (*Redemption Following Note Tax Event*), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral or amounts standing to the credit of the Interest Account which represent Hedge Issuer Tax Credit Payments which are required to be paid or returned to a Hedge Counterparty outside the Priorities of Payments in accordance with the Hedge Agreement and/or Condition 3(k)(v) (*Counterparty Downgrade Collateral Accounts*)) 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) other than following an enforcement of security pursuant to Condition 11 (*Enforcement*) and the Trust Deed, to the payment of taxes owing by the Issuer accrued (other than Dutch corporate income tax in relation to the Issuer Profit Amount referred to below), as certified by an Authorised Officer of the Issuer to the Trustee, if any, (save for any VAT payable in respect of any Collateral Management Fee or any other tax payable in relation to any amount payable to the Secured Parties); and to the payment of the Issuer Profit Amount, for deposit into the Issuer Dutch Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap in respect of the related Due Period, provided that upon the occurrence of an Event of Default only which is continuing, the Senior Expenses Cap shall not apply in respect of such Trustee Fees and Expenses;

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above, provided that (i) upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Senior Expenses Cap shall not apply in respect of such Administrative Expenses and (ii) following an enforcement of security pursuant to Condition 11 (*Enforcement*) and the Trust Deed, payments may only be made hereunder to Secured Parties;

(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 and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) save for any Deferred Senior Collateral Management Amounts; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority),

(E) to the payment, on a *pro rata* basis, of (i) any Scheduled Periodic Hedge Issuer Payments (to the extent not paid out of the Currency Account or the Interest Account), (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Hedge Termination Account and other than Defaulted Interest Rate Hedge Termination Payments);

(F) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts (excluding any Class A-3 Make-Whole Amounts) due and payable on the Class A Notes;

(G) to the redemption on a *pro rata* and *pari passu* basis of the Class A Notes, until the Class A Notes have been redeemed in full;

(H) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class B Notes;

(I) to the redemption on a *pro rata* and *pari passu* basis of the Class B Notes, until the Class B Notes have been redeemed in full;

(J) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest and 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 and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) save for any Deferred Subordinated Collateral Management Amounts;

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee (other than Deferred Subordinated Collateral Management Amounts) and any VAT in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(3) *thirdly*, to the Collateral Manager in payment of any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts, the deferral of which has been rescinded by the Collateral Manager;

(W) to the payment of Trustee Fees and Expenses and, Administrative Expenses not paid by reason of the Senior Expenses Cap (if any), in relation to each item thereof, on a *pro rata* basis, provided that following an enforcement of security pursuant to Condition 11 (*Enforcement*) and the Trust Deed, payments may only be made hereunder to Secured Parties;

(X) to the payment on a *pro rata* basis of the Class A-3 Make-Whole Amount (if any) due and payable on the Class A-3 Notes pursuant to these Conditions in connection with the redemption in whole or in part (at any time during the Class A-3 Fixed Rate Period) of the Class A-3 Notes during the Accrual Period ending on such Payment Date (or to the payment of any Class A-3 Make-Whole Amounts payable on a previous Payment Date in accordance with these Conditions that remain due and unpaid);

(Y) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to any Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payment due to an Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Hedge Termination Account or any relevant Counterparty Downgrade Collateral Account);

(Z) (1) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date, including pursuant to paragraph (2) below, paragraph (CC) of the Interest Priority of Payments and paragraph (U) of the Principal Priority of Payments) to the payment to the Collateral Manager of 20 per cent. of any remaining proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) in payment of an Incentive Collateral Management Fee; and

(2) any remaining proceeds to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(c) *Only Trustee to Act*

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or, in respect of the Collateral, of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period after having received notice of such failure and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee. Any proceeds received by a Noteholder or other Secured Party pursuant to any such proceedings brought by a Noteholder or other Secured Party shall be paid promptly following receipt thereof to the Trustee for application pursuant to the terms of the Trust Deed. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of Payments, no Noteholder or other Secured Party may take any further steps against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer in respect of such sums unpaid shall be extinguished. In particular, none of the Trustee, any Noteholder or any other Secured Party shall be entitled in respect thereof to petition or take any other step for the winding up of the Issuer except to the extent permitted under the Trust Deed.

(d) *Purchase of Collateral by Noteholders or Collateral Manager*

Upon any sale of any part of the Collateral following the acceleration of the Notes under Condition 10(b), whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder, the Collateral Manager or any of its Affiliates may (but shall not be obliged to) bid for and purchase the Collateral or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of such property in its or their own absolute right without accountability. In addition, any purchaser in any such sale which is a Noteholder (including the Collateral Manager in such capacity) may deliver Notes held by it in place of payment of the purchase price for such Collateral where the amount payable to such Noteholder in respect of such Notes pursuant to the Priorities of Payments, had the purchase price been paid in cash, is equal to or exceeds such purchase price.

12. Prescription

Claims in respect of principal and interest payable on redemption in full of the relevant Notes while the Notes are represented by a Definitive Certificate will become void unless presentation for payment is made as required by Condition 7 (*Redemption and Purchase*) within a period of five years, in the case of interest, and ten years, in the case of principal, from the date on which payment is respect of such Notes is received by the Principal Paying Agent.

Notwithstanding the above, claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

13. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Transfer Agent, subject in each case to all applicable laws and Irish Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes must be surrendered before replacements will be issued.

14. Meetings of Noteholders, Modification, Waiver and Substitution

(a) *Provisions in Trust Deed*

The Trust Deed contains provisions for convening meetings of the Noteholders (and for passing Written Resolutions) to consider matters affecting the interests of the Noteholders including, without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) are descriptive of the detailed provisions of the Trust Deed.

(b) *Decisions and Meetings of Noteholders*

(i) *General*

Decisions may be taken by Noteholders by way of Ordinary Resolution, Extraordinary Resolution or Written Resolution, in each case, either acting together (subject as provided in paragraph (viii) below) or, to the extent specified in any applicable Transaction Document or these Conditions, by a Class of Noteholders acting independently. Ordinary Resolutions and Extraordinary Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "*Minimum Percentage Voting Requirements*" in paragraph (iii) below. Meetings of the Noteholders may be convened by the Issuer, the Trustee or by one or more Noteholders holding not less than 10 per cent. in principal amount of the Notes Outstanding of a particular Class, subject to certain conditions including minimum notice periods. Where decisions are required to be taken by a Written Resolution of a Class or Classes under the Trust Deed or these Conditions, such decision may only be made in accordance with Condition 14(b)(iv) (*Written Resolution*) below.

The holder of each Global Certificate will be treated as being one person for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each €1,000 of principal amount of Notes for which the relevant Global Certificate may be exchanged.

Notice of any Resolution passed by the Noteholders will be given by the Issuer to Moody's and Fitch in writing.

(ii) *Quorum*

The quorum required for any meeting convened to consider an Ordinary Resolution or Extraordinary Resolution, in each case, of all the Noteholders or of any Class or Classes of Noteholders, or at any adjourned meeting to consider such a Resolution, shall be as set out in the relevant column and row corresponding to the type of resolution in the table "*Quorum Requirements*" below.

Type of Resolution	Any meeting other than a meeting adjourned for want of quorum	Meeting previously adjourned for want of quorum
Extraordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or of the relevant Class or Classes only, if applicable)

Ordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or of the relevant Class or Classes only, if applicable)

The Trust Deed does not contain any provision for higher quorums in any circumstances.

In connection with a CM Removal Resolution or a CM Replacement Resolution, no Class A Notes, Class B Notes, Class C Notes or Class D Notes held in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable 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.

Upon voting in respect of a CM Removal Resolution or a CM Replacement Resolution, each holder of a CM Voting Note that acquired such Note from an entity that had previously held it as a CM Non-Voting Exchangeable Note (the "**Previous Holder**") will be deemed to represent that it is not an Affiliate of the Previous Holder.

(iii) *Minimum Voting Rights*

Set out in the table "*Minimum Percentage Voting Requirements*" below are the minimum percentages required to pass the Resolutions specified in such table which, (A) in the event that such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons who vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are voted or, (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes entitled to be voted in respect of such Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Per cent.
Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	At least 66 per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	More than 50 per cent.

(iv) *Written Resolutions*

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

(v) *All Resolutions Binding*

Subject to Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*) and in accordance with the Trust Deed, any Resolution of the Noteholders (including any resolution of a specified Class or Classes of Noteholders, where the resolution of one or more other Classes is not required) duly passed shall be binding on all Noteholders (regardless of Class

and regardless of whether or not a Noteholder was present at the meeting at which such Resolution was passed).

(vi) *Extraordinary Resolution*

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable):

(A) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed;

(B) any item expressly requiring an Extraordinary Resolution pursuant to the Transaction Documents;

(C) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity;

(D) other than in respect of a Refinancing, the modification of any provision relating to the timing and/or circumstances of the payment of interest, the rate of interest or redemption of the Notes of a Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated);

(E) the modification of any of the provisions of the Trust Deed which would directly and adversely affect the calculation of the amount of any payment of interest or principal on any Note;

(F) the adjustment of the outstanding principal amount of the Notes Outstanding of the relevant Class other than in connection with a further issue of Notes pursuant to Condition 17 (*Additional Issuances*);

(G) a change in the currency of payment of the Notes of a Class;

(H) any change in the Priorities of Payments or of any payment items in the Priorities of Payments;

(I) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution; and

(J) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*) or Schedule 5 (*Provisions for meetings of the Noteholders of each Class*) of the Trust Deed.

(vii) *Ordinary Resolution*

Any meeting of the Noteholders shall (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable) have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (vi) (*Extraordinary Resolution*) above.

(viii) *Resolutions Affecting Other Classes*

If and for so long as any Notes of more than one Class are Outstanding, in relation to any Meeting of Noteholders:

(a) subject to paragraphs (c) and (d) below, a Resolution which in the opinion of the Trustee affects only the Notes of a Class or Classes (the "**Affected Class(es)**"), but not another Class or Classes, as the case may be, shall be duly passed if passed at a meeting or meetings of the Noteholders of the Affected Class(es) and such Resolution shall be binding on all the Noteholders, including the holders of Notes which are not an Affected Class;

(b) subject to paragraphs (c) and (d) below, a Resolution which in the opinion of the Trustee affects the Notes of each Class shall be duly passed only if passed at separate meetings of the Noteholders of each Class;

(c) a Resolution passed by the Controlling Class to exercise any rights granted to them pursuant to the Conditions or any Transaction Document shall be duly passed if passed at a meeting of the Controlling Class and such Resolution shall be binding on all the Noteholders; and

(d) a Resolution passed by the Subordinated Noteholders to exercise the rights granted to them pursuant to the Conditions shall be passed if passed only at a meeting of the Subordinated Noteholders and such resolution shall be binding on all of the Noteholders.

(c) *Modification and Waiver*

The Trust Deed and the Collateral Management and Administration Agreement both provide that, without the consent of the Noteholders (other than as otherwise provided below), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management and Administration Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto, except as otherwise provided therein (as applicable)) and, without affecting the right of the Trustee under paragraphs (xi) and (xii) below, other than any such amendment, modification, supplement and/or waiver that has the effect of sanctioning an item which is required to be passed by an extraordinary resolution under Condition 14(b)(vi) (*Extraordinary Resolution*), the Trustee shall consent to (without the consent of the Noteholders (subject as provided below)) such amendment, supplement, modification or waiver, subject as provided below (other than in the case of an amendment, modification, supplement or waiver, pursuant to paragraphs (xi) and (xiii) below, which shall be subject to the prior written consent of the Trustee in accordance with the relevant paragraph), for any of the following purposes:

(i) to add to the covenants of the Issuer for the benefit of the Noteholders;

(ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or subject to the security of the Trust Deed any additional property;

(iv) to evidence and provide for the acceptance of appointment under the Trust Deed by a successor Trustee subject to and in accordance with the terms of the Trust Deed and to add to or change any of the provisions of the Trust Deed as shall be necessary to facilitate the administration of the trusts under the Trust Deed by more than one Trustee, pursuant to the requirements of the relevant provisions of the Trust Deed;

(v) to make such changes as shall be necessary or advisable in order for the Notes of each Class to be (or to remain) listed on the Global Exchange Market of the Irish Stock Exchange or any other exchange and to authorise the appointment of any listing agent, transfer agent, paying agent or additional registrar for any Class of Notes required or advisable in connection with the listing of such Notes, and otherwise to amend the Trust Deed to incorporate any changes required or requested by any governmental authority, stock exchange authority, listing agent, transfer agent, paying agent or additional registrar for any Class of Notes in connection therewith;

(vi) to amend, modify, enter into, accommodate the execution or facilitate the transfer by the relevant Hedge Counterparty of any Hedge Agreement upon terms satisfactory to the Collateral Manager and subject to receipt of Rating Agency Confirmation;

(vii) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to (or to otherwise reduce) withholding or other taxes, fees or assessments;

(viii) to take any action advisable to prevent the Issuer from being treated as resident in the UK for UK tax purposes, as trading in the UK for UK tax purposes or as subject to UK VAT in respect of any Collateral Management Fees;

(ix) to take any action advisable to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise be subject to United States federal, state or local income tax on a net income basis;

(x) to enter into any additional agreements not expressly prohibited by the Trust Deed or the Collateral Management and Administration Agreement (as applicable);

(xi) to make any other modification of any of the provisions of any Transaction Document which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error and, in the case of a modification of the Collateral Management and Administration Agreement, subject to the consent in writing of the Collateral Manager;

(xii) subject to Rating Agency Confirmation and the consent of the Controlling Class acting by Ordinary Resolution, to make any modifications to the Collateral Quality Tests, Portfolio Profile Tests, Reinvestment Criteria or Eligibility Criteria and all related definitions (including in order to reflect changes in the methodology applied by the Rating Agencies);

(xiii) to make any other modification (save as otherwise provided in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any other Transaction Document which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders of any Class and, in the case of a modification of the Collateral Management and Administration Agreement, subject to the consent in writing of the Collateral Manager;

(xiv) to amend the name of the Issuer;

(xv) to make any amendments to the Trust Deed or any other Transaction Document to enable the Issuer to comply with FATCA;

(xvi) to modify or amend any components of the Fitch Test Matrix or the Moody's Test Matrix in order that they may be consistent with the criteria of the Rating Agencies, subject to receipt of Rating Agency Confirmation (or such other confirmation as the relevant Rating Agency is willing to provide from time to time) from Fitch or Moody's, as applicable unless directed otherwise by the holders of the Controlling Class acting by way of Ordinary Resolution;

(xvii) to make any changes necessary (x) to reflect any additional issuances of Notes in accordance with Condition 17 (*Additional Issuances*) or (y) to issue any replacement notes in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(v)(E) (*Consequential Amendments*);

(xviii) to modify the Transaction Documents in order to comply with Rule 17g-5 of the Exchange Act;

(xix) to modify the terms of the Transaction Documents in order that they may be consistent with the requirements of the Rating Agencies, including to address any change in the rating methodology employed by either Rating Agency, in a manner that an officer of the Collateral Manager certifies to the Trustee would not materially prejudice the interests of the Noteholders of any Class of Notes, subject to receipt of Rating Agency Confirmation (or such other confirmation as the relevant Rating Agency is willing to provide from time to time) in respect of the Rated Notes from each Rating Agency then rating the Rated Notes (upon which certification and confirmation the Trustee shall be entitled to rely absolutely and without enquiry or liability) unless directed otherwise by the holders of the Controlling Class acting by way of Ordinary Resolution;

(xx) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document to comply with changes in the Retention Requirements;

(xxi) to make such changes as shall be necessary to facilitate the Issuer to effect a Refinancing in part in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*);

(xxii) to make such changes as are necessary to facilitate the transfer of any Hedge Agreement to a replacement counterparty or the roles of any Agent to a replacement agent, in each case in circumstances where such Hedge Counterparty or Agent does not satisfy the applicable Rating Requirement and subject to such replacement counterparty or agent (as applicable) satisfying the applicable requirements in the Transaction Documents;

(xxiii) to modify the Transaction Documents in order to comply with the CRA Regulation, EMIR, the AIFMD, the Dodd-Frank Act and/or any other law or regulation in any applicable jurisdiction, including any implementing regulation, technical standards and guidance related thereto;

(xxiv) to amend, modify or supplement any Hedge Agreement, subject to receipt of Rating Agency Confirmation or such Hedge Agreement being a Form Approved Hedge following such amendment to the extent necessary to allow the Issuer or the relevant Hedge Counterparty to comply with any enactment, promulgation, execution or ratification of, or any change in or amendment to, any law or regulation (or in the application or official interpretation of any law or regulation) that occurs after the parties enter into the Hedge Agreement;

(xxv) to modify the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in applicable law or regulation (or the interpretation thereof);

(xxvi) to evidence the succession of another person to the Issuer and the assumption by any such successor person of the covenants of the Issuer in the Transaction Documents and in the Notes, provided that any such successor issuer shall not have a worse position than the Issuer in respect of any legal or regulatory requirement or tax treatment;

(xxvii) to amend, modify or otherwise accommodate changes to any Transaction Document relating to the administrative procedures for reaffirmation of ratings on the Notes as required by the rating criteria of the Rating Agencies;

(xxviii) to accommodate the settlement of the Notes in book-entry form through the facilities of Euroclear and/or Clearstream, Luxembourg or otherwise;

(xxix) to reduce the permitted Minimum Denomination of the Notes, provided that any such reduction in Minimum Denomination shall not adversely affect the Issuer (in respect of any legal or regulatory requirement or tax treatment of the Issuer); and

(xxx) to change the date within the month on which reports are required to be delivered.

Any such modification, authorisation or waiver shall be binding upon the Noteholders and shall be notified by the Issuer as soon as practicable following the execution of any supplemental trust deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) to:

(A) each Rating Agency, so long as any of the Rated Notes remain Outstanding; and

(B) the Noteholders in accordance with Condition 16 (*Notices*).

Notwithstanding anything to the contrary herein and in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any provisions of the Transaction Documents if, in the reasonable opinion of the Issuer, such change shall have a material adverse effect on the rights or obligations of the Hedge Counterparty without the Hedge Counterparty's prior written consent or on the Collateral Manager without the Collateral Manager's consent in writing. The Issuer agrees that it shall notify each Hedge Counterparty of any proposed amendment made to any Transaction Document in accordance with the relevant Hedge Agreement.

For the avoidance of doubt, the Trustee shall, without the consent or sanction of any of the Noteholders (other than as otherwise provided in paragraphs (xii), (xvi) or (xix) above) or any other Secured Party, concur with the Issuer, in making any modification, amendment, waiver

or authorisation which the Issuer certifies to the Trustee (upon which certification the Trustee is entitled to rely without enquiry or liability) is required pursuant to the paragraphs above (other than a modification, waiver or authorisation pursuant to paragraph (xi) and (xiii) above in which the Trustee may, without the consent or sanction of any of the Noteholders 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 rights, powers, indemnities or protections, of the Trustee in respect of the Transaction Documents.

In the case of a request for consent to a modification, amendment, waiver or authorisation pursuant to paragraphs (xi) or (xiii) above, the Trustee shall be entitled to obtain legal, financial or other expert advice, at the expense of the Issuer, and rely on such advice without liability in connection with determining whether or not to give such consent (if applicable or required) as it sees fit.

In the case of a request for consent to a modification, amendment, waiver or authorisation pursuant to paragraphs (xvi) or (xix) above, the Issuer will provide prompt notice thereof to the holders of the Controlling Class, whereupon the Controlling Class will have 15 Business Days from receipt of notice of the proposed modification, amendment, waiver or authorisation in accordance with Condition 16 (*Notices*) to notify the Trustee and the Issuer of whether it opposes such modification, amendment, waiver or authorisation. If at the end of such 15 Business Day period, holders of the Controlling Class in aggregate representing more than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes held by the Controlling Class have notified the Trustee and the Issuer that they oppose such modification, amendment, waiver or authorisation, no modification, amendment, waiver or authorisation may take effect.

(d) *Substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, provided that such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as the Rating Agency may require), to a change of the law governing the Notes and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, including receipt of Rating Agency Confirmation, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, provided the Issuer does all such things as the Trustee may reasonably require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may reasonably direct.

The Issuer shall procure that, so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange any material amendments or modifications to the Conditions, the Trust Deed or such other conditions made pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

(e) *Entitlement of the Trustee and Conflicts of Interest*

In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)), the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have

regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 (*Taxation*).

In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate

The Trust Deed provides that in the event of any conflict of interest between or among the holders of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, the interests of the holders of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of (i) the Class A Noteholders over the Class B Noteholders, Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (ii) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, Class F Noteholders and the Subordinated Noteholders, (iii) Class C Noteholders over the Class D Noteholders, the Class E Noteholders, Class F Noteholders and the Subordinated Noteholders, (iv) the Class D Noteholders over the Class E Noteholders, Class F Noteholders and the Subordinated Noteholders, (v) the Class E Noteholders over the Class F Noteholders and the Subordinated Noteholders, and (vi) the Class F Noteholders over the Subordinated Noteholders. If the Trustee receives conflicting or inconsistent requests from two or more groups of holders of a Class, given priority as described in this paragraph, each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that, except as expressly provided otherwise in any applicable Transaction Document or these Conditions, the Trustee will act upon the directions of the holders of the Controlling Class (or other Class where the holders of the Class or Classes having priority over such other Class do not have an interest in the subject matter of such directions) (in each case acting by Extraordinary Resolution) subject to being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby become liable or which may be incurred by it in connection therewith, and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any other Class of Notes, provided that such action is consistent with the applicable law and with all other provisions of the Trust Deed.

In addition, the Trust Deed provides that, so long as any Note is Outstanding, the Trustee shall, as regards all the powers, trusts, authorities, duties and discretions vested in it by the Trust Deed except where expressly provided otherwise, have no regard to the interests of any Secured Party other than the Noteholders or, at any time, to the interests of any other person.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any other party to any Transaction Document and any entity related to the Issuer or any other party to any Transaction Document without accounting for any profit. The Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral from any obligation to insure, or to monitor the provisions of any insurance arrangements in respect of, the Collateral (for the avoidance of doubt, under the Trust Deed the Trustee is under no such obligation) and from any claim arising from the fact that the Collateral is held by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee shall not be responsible for the performance by the Custodian of any of its duties under the Agency and Account Bank Agreement or for the performance by the Collateral Manager of any of its duties under the Collateral Management and Administration Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Management and Administration Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or by any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the Collateral Manager to release any of the Collateral from time to time.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee by Extraordinary Resolution of the Controlling Class, but no such retirement or removal shall become effective until a successor trustee is appointed.

16. Notices

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre-paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission) and (for so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange or such other process as the Irish Stock Exchange may require. Any such notice shall be deemed to have been given to the Noteholders (a) in the case of inland mail three days after the date of dispatch thereof, (b) in the case of overseas mail, seven days after the dispatch thereof or, (c) in the case of electronic transmission, on the date of dispatch.

Notices will be valid and will be deemed to have been given, for so long as the Notes are admitted to trading on the Irish Stock Exchange, when such notice is filed in the Company Announcements Office of the Irish Stock Exchange or such other process as the Irish Stock Exchange may require.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders (or a category of them) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

Notwithstanding the above, so long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Notes provided that such notice is also made to the Company Announcements Office of the Irish Stock Exchange for so long as such Notes are listed on the Global Exchange Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require. Such notice will be deemed to have been given to the Noteholders on the date of delivery of the relevant notice to the relevant clearing system.

17. Additional Issuances

(a) The Issuer may from time to time, subject to the approval of the Subordinated Noteholders and, in the case of the issuance of additional Class A Notes, subject to the approval of the Controlling Class of such Noteholders, in each case acting by Ordinary Resolution, create and issue further Notes having the same terms and conditions as existing Classes of Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Notes of such Class (unless otherwise provided), and will use the proceeds of sale thereof to purchase additional Collateral Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Obligations, provided that the following conditions are satisfied:

(i) such additional issuances in relation to the applicable Class of Notes may not exceed 100.0 per cent. in the aggregate of the original aggregate principal amount of such Class of Notes;

(ii) such additional Notes must be issued for a cash sale price and the net proceeds invested in Collateral Obligations or, pending such investment, during the Initial Investment Period deposited in the Unused Proceeds Account or, thereafter, deposited in the Principal Account and, in each case, invested in Eligible Investments;

(iii) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Notes must be identical to the terms of the previously issued Notes of the applicable Class of Notes;

(iv) the Issuer must notify the Trustee and the Rating Agencies then rating any Notes of such additional issuance and obtain Rating Agency Confirmation from each Rating Agency in respect of such additional issuance;

(v) the Par Value Tests will be maintained or improved after giving effect to such additional issuance of Notes when compared with the results of such tests immediately prior to such additional issuance of Notes;

(vi) the holders of the relevant Class of Notes in respect of which further Notes are issued shall have been notified in writing by the Issuer 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance (the "**Anti-Dilution Percentage**") of such additional Notes and on the same terms offered to investors generally;

(vii) (so long as the existing Notes of the Class of Notes to be issued are listed on the Global Exchange Market of the Irish Stock Exchange) the additional Notes of such Class to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the Global Exchange Market of the Irish Stock Exchange (for so long as the rules of the Irish Stock Exchange so requires);

(viii) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of The Netherlands and do not adversely affect the Dutch tax position of the Issuer;

(ix) the Issuer and the Trustee will have received advice of tax counsel of nationally recognised standing in the United States experienced in such matters to the effect that (A) such additional issuance will not cause the opinion delivered on the Issue Date by Cadwalader, Wickersham, & Taft 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, and Class D Notes will be treated, and any additional Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes, provided, however, that the advice of tax counsel described in this clause (ix)(B) will not be required with respect to any additional Notes that bear a different ISIN (or equivalent identifier) from the Notes of the same Class that were issued on the Issue Date and are Outstanding at the time of the additional issuance;

(x) such additional issuance will be accomplished in a manner that will allow the Issuer to accurately provide the information required to be provided to the Noteholders, including Noteholders of additional Rated Notes, under U.S. Treasury regulations section 1.1275-3(b)(1);

(xi) no additional Notes may be issued if, after issuance and purchase of such additional Notes, the requirements of the Retention Undertaking Letter are not satisfied; and

(xii) such additional Notes must be of each Class of Notes and issued in a proportionate amount among the Classes so that the relative proportions of the aggregate principal amount of the Classes of Notes existing immediately prior to such additional issuance remain unchanged immediately following such additional issuance (save with respect to Subordinated Notes as described in paragraph (b) below), **provided however that** for the purposes of this paragraph (xi), the Class A-1 Notes, the Class A-2 Notes and the Class A-3 Notes, shall be treated as a single Class and the Class B-1 Notes and the Class B-2 Notes shall be treated as a single Class.

(b) The Issuer may also issue and sell additional Subordinated Notes (without issuing Notes of any other Class) having the same terms and conditions as existing Subordinated Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Subordinated Notes, provided that:

(i) the subordination terms of such Subordinated Notes are identical to the terms of the previously issued Subordinated Notes;

(ii) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Subordinated Notes must be identical to the terms of the previously issued Subordinated Notes;

(iii) such additional Subordinated Notes are issued for a cash subscription price, and the net proceeds are invested in Collateral Obligations, Eligible Investments, Collateral Enhancement Obligations or for other Permitted Uses or, pending such application, deposited in, the Supplemental Reserve Account and invested in Eligible Investments, provided that the Issuer or the Collateral Manager (acting on behalf of the Issuer) shall not enter into any binding commitments to purchase Collateral Obligations with such proceeds, until such proceeds have been deposited into the Unused Proceeds Account or the Principal Account (as applicable) or (b) paid into the Interest Account and used to make payments on any Payment Date in accordance with the Priorities of Payments;

(iv) the Issuer must notify the Trustee and the Rating Agencies then rating any Notes of such additional issuance;

(v) the holders of the Subordinated Notes shall have been notified in writing 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Subordinated Notes in an amount not to exceed the Anti-Dilution Percentage of such additional Subordinated Notes and on the same terms offered to investors generally;

(vi) such additional 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

(vii) no additional Subordinated Notes may be issued if, after issuance and purchase of such additional Notes, the requirements of the Retention Undertaking Letter are not satisfied.

References in these Conditions to the "**Notes**" include (unless the context requires otherwise) any other securities issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Notes. Any further securities forming a single series with Notes constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

18. Third Party Rights

No person shall have any right to enforce any term or Condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. Governing Law

(a) *Governing Law*

The Trust Deed and each Class of Notes and any dispute, controversy, proceedings or claim of whatever nature (whether contractual or non-contractual) arising out of or in any way relating to the Trust Deed or any Class of Notes are governed by and shall be construed in accordance with English law. The Issuer Management Agreement is governed by and shall be construed in accordance with Dutch law.

(b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Notes, and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Agent for Service of Process*

The Issuer appoints TMF Corporate Services Ltd. (having an office, at the date hereof, at 6 St Andrew Street, 5th Floor, London EC4A 3AE, United Kingdom) as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify the Trustee and the Noteholders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Notes after payment of fees and expenses payable on or about the Issue Date (including, without duplication amounts deposited into the Expense Reserve Account) are expected to be approximately €403,500,000. Such proceeds will be used by the Issuer to repay the relevant lenders under the Warehouse Arrangements in respect of the funding provided by them to finance the purchase of Collateral Obligations prior to the Issue Date. The remaining proceeds shall be deposited into the Expense Reserve Account, the Interest Reserve Account and the Unused Proceeds Account to be utilised to fund the acquisition of Collateral Obligations complying with the Eligibility Criteria and the other requirements of the Collateral Management and Administration Agreement purchased by the Issuer during the Initial Investment Period (as defined in the Conditions).

FORM OF THE NOTES

References below to Notes and to the Global Certificates and the Definitive Certificates representing such Notes are to each respective Class of Notes, except as otherwise indicated.

Initial Issue of Notes

The Regulation S Notes of each Class (other than, in certain circumstances, the Subordinated Notes as described below) will be represented on issue by a Regulation S Global Certificate deposited with, and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Certificate may be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". Beneficial interests in a Regulation S Global Certificate may not be held by a U.S. Person or U.S. Resident at any time. By acquisition of a beneficial interest in a Regulation S Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. Person, and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only to a person whom the seller reasonably believes (a) to be a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Global Certificate. See "*Transfer Restrictions*".

The Rule 144A Notes of each Class (other than, in certain circumstances, the Subordinated Notes as described below) will be represented on issue by a Rule 144A Global Certificate deposited with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may only be held at any time through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, amongst other things, that it is a QIB/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*".

Transfer

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and as set forth in Rule 144A, and the Notes will bear the applicable legends regarding the restrictions set forth under "*Transfer Restrictions*". In the case of each Class of Notes, a beneficial interest in a Regulation S Global Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in denominations greater than or equal to the Minimum Denomination and Authorised Integral Amounts thereof applicable to interests in such Rule 144A Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) to the effect that the transferor reasonably believes that the transferee is a QIB/QP and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made to a non-U.S. Person and in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate will, upon transfer, cease to be an interest in such Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate will, upon transfer, cease to be an interest in a Rule 144A Global Certificate and become an interest in the Regulation S Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Transfer Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Notes.

A transferee of a Class E Note, Class F Note or Subordinated Note will be deemed to represent (among other things) that it is not and is not acting on behalf of (and for so long as it holds such Note or an interest therein will not be, and will not be acting on behalf of) a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed or actual representation, as applicable, such transferee may not acquire such Class E Note, Class F Note or Subordinated Note unless such transferee: (i) obtains the written consent of the Issuer; (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); and (iii) unless the written consent of the Issuer to the contrary is obtained, holds such Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate. Any Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate shall be registered in the name of the holder thereof.

Exchange of Class A Notes, Class B Notes, Class C Notes and Class D Notes

(a) Rule 144A CM Voting Notes: A beneficial interest in a Rule 144A Global Certificate that represents Class A-1 CM Voting Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class A-1 CM Non-Voting Notes or Class A-1 CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate.

A beneficial interest in a Rule 144A Global Certificate that represents Class A-2 CM Voting Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class A-2 CM Non-Voting Notes or Class A-2 CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate.

A beneficial interest in a Rule 144A Global Certificate that represents Class A-3 CM Voting Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class A-3 CM Non-Voting Notes or Class A-3 CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate.

A beneficial interest in a Rule 144A Global Certificate that represents Class B-1 CM Voting Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class B-1 CM Non-Voting Notes or Class B-1 CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate.

A beneficial interest in a Rule 144A Global Certificate that represents Class B-2 CM Voting Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class B-2 CM Non-Voting Notes or Class B-2 CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate.

A beneficial interest in a Rule 144A Global Certificate that represents Class C CM Voting Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class C CM Non-Voting Notes or Class C CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate.

A beneficial interest in a Rule 144A Global Certificate that represents Class D CM Voting Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class D CM Non-Voting Notes or Class D CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate.

An exchange will only be effective upon receipt by the Registrar or a Transfer Agent of a written request substantially in the form provided in the Trust Deed from the exchangor.

(b) Rule 144A CM Non-Voting Exchangeable Notes: A beneficial interest in a Rule 144A Global Certificate that represents Class A-1 CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class A-1 CM Voting Notes or Class A-1 CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate, provided that in connection with an exchange of such Notes for an interest in a Rule 144A Global Certificate that represents Class A-1 CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Rule 144A Global Certificate that represents Class A-2 CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents

Class A-2 CM Voting Notes or Class A-2 CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate, provided that in connection with an exchange of such Notes for an interest in a Rule 144A Global Certificate that represents Class A-2 CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Rule 144A Global Certificate that represents Class A-3 CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class A-3 CM Voting Notes or Class A-3 CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate, provided that in connection with an exchange of such Notes for an interest in a Rule 144A Global Certificate that represents Class A-3 CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Rule 144A Global Certificate that represents Class B-1 CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class B-1 CM Voting Notes or Class B-1 CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate, provided that in connection with an exchange of such Notes for an interest in a Rule 144A Global Certificate that represents Class B-1 CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Rule 144A Global Certificate that represents Class B-2 CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class B-2 CM Voting Notes or Class B-2 CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate, provided that in connection with an exchange of such Notes for an interest in a Rule 144A Global Certificate that represents Class B-2 CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Rule 144A Global Certificate that represents Class C CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class C CM Voting Notes or Class C CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate, ***provided that*** in connection with an exchange of such Notes for an interest in a Rule 144A Global Certificate that represents Class C CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Rule 144A Global Certificate that represents Class D CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Rule 144A Global Certificate that represents Class D CM Voting Notes or Class D CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate, ***provided that*** in connection with an exchange of such Notes for an interest in a Rule 144A Global Certificate that represents Class D CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

An exchange will only be effective upon receipt by the Registrar or a Transfer Agent of a written request substantially in the form provided in the Trust Deed from the exchangor.

(c) Rule 144A CM Non-Voting Notes: A beneficial interest in a Rule 144A Global Certificate that represents Class A-1 CM Non-Voting Notes may not be exchanged for an interest in a Rule 144A Global Certificate that represents Class A-1 CM Non-Voting Exchangeable Notes or Class A-1 CM Voting Notes.

A beneficial interest in a Rule 144A Global Certificate that represents Class A-2 CM Non-Voting Notes may not be exchanged for an interest in a Rule 144A Global Certificate that represents Class A-2 CM Non-Voting Exchangeable Notes or Class A-2 CM Voting Notes.

A beneficial interest in a Rule 144A Global Certificate that represents Class A-3 CM Non-Voting Notes may not be exchanged for an interest in a Rule 144A Global Certificate that represents Class A-3 CM Non-Voting Exchangeable Notes or Class A-3 CM Voting Notes.

A beneficial interest in a Rule 144A Global Certificate that represents Class B-1 CM Non-Voting Notes may not be exchanged for an interest in a Rule 144A Global Certificate that represents Class B-1 CM Non-Voting Exchangeable Notes or Class B-1 CM Voting Notes.

A beneficial interest in a Rule 144A Global Certificate that represents Class B-2 CM Non-Voting Notes may not be exchanged for an interest in a Rule 144A Global Certificate that represents Class B-2 CM Non-Voting Exchangeable Notes or Class B-2 CM Voting Notes.

A beneficial interest in a Rule 144A Global Certificate that represents Class C CM Non-Voting Notes may not be exchanged for an interest in a Rule 144A Global Certificate that represents Class C CM Non-Voting Exchangeable Notes or Class C CM Voting Notes.

A beneficial interest in a Rule 144A Global Certificate that represents Class D CM Non-Voting Notes may not be exchanged for an interest in a Rule 144A Global Certificate that represents Class D CM Non-Voting Exchangeable Notes or Class D CM Voting Notes.

(d) Regulation S CM Voting Notes: A beneficial interest in a Regulation S Global Certificate that represents Class A-1 CM Voting Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class A-1 CM Non-Voting Notes or Class A-1 CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate.

A beneficial interest in a Regulation S Global Certificate that represents Class A-2 CM Voting Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class A-2 CM Non-Voting Notes or Class A-2 CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate.

A beneficial interest in a Regulation S Global Certificate that represents Class A-3 CM Voting Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class A-3 CM Non-Voting Notes or Class A-3 CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate.

A beneficial interest in a Regulation S Global Certificate that represents Class B-1 CM Voting Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class B-1 CM Non-Voting Notes or Class B-1 CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate.

A beneficial interest in a Regulation S Global Certificate that represents Class B-2 CM Voting Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class B-2 CM Non-Voting Notes or Class B-2 CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate.

A beneficial interest in a Regulation S Global Certificate that represents Class C CM Voting Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class C CM Non-Voting Notes or Class C CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate.

A beneficial interest in a Regulation S Global Certificate that represents Class D CM Voting Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class D CM Non-Voting Notes or Class D CM Non-Voting Exchangeable Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate.

An exchange will only be effective upon receipt by the Registrar or a Transfer Agent of a written request substantially in the form provided in the Trust Deed from the exchangor.

(e) Regulation S CM Non-Voting Exchangeable Notes: A beneficial interest in a Regulation S Global Certificate that represents Class A-1 CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class A-1 CM Voting Notes or Class A-1 CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate, provided that in connection with an exchange of such Notes for an interest in a Regulation S Global Certificate that represents Class A-1

CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Regulation S Global Certificate that represents Class A-2 CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class A-2 CM Voting Notes or Class A-2 CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate, provided that in connection with an exchange of such Notes for an interest in a Regulation S Global Certificate that represents Class A-2 CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Regulation S Global Certificate that represents Class A-3 CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class A-3 CM Voting Notes or Class A-3 CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate, provided that in connection with an exchange of such Notes for an interest in a Regulation S Global Certificate that represents Class A-3 CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Regulation S Global Certificate that represents Class B-1 CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class B-1 CM Voting Notes or Class B-1 CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate, provided that in connection with an exchange of such Notes for an interest in a Regulation S Global Certificate that represents Class B-1 CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Regulation S Global Certificate that represents Class B-2 CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class B-2 CM Voting Notes or Class B-2 CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate, provided that in connection with an exchange of such Notes for an interest in a Regulation S Global Certificate that represents Class B-2 CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Regulation S Global Certificate that represents Class C CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class C CM Voting Notes or Class C CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate, ***provided that*** in connection with an exchange of such Notes for an interest in a Regulation S Global Certificate that represents Class C CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

A beneficial interest in a Regulation S Global Certificate that represents Class D CM Non-Voting Exchangeable Notes may be exchanged for an interest in a Regulation S Global Certificate that represents Class D CM Voting Notes or Class D CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Regulation S Global Certificate, ***provided that*** in connection with an exchange of such Notes for an interest in a Regulation S Global Certificate that represents Class D CM Voting Notes, the exchangor may not be an Affiliate of the entity which sold such Notes to such exchangor.

An exchange will only be effective upon receipt by the Registrar or a Transfer Agent of a written request substantially in the form provided in the Trust Deed from the exchangor.

(f) Regulation S CM Non-Voting Notes: A beneficial interest in a Regulation S Global Certificate that represents Class A-1 CM Non-Voting Notes may not be exchanged for an interest in a Regulation S Global Certificate that represents Class A-1 CM Non-Voting Exchangeable Notes or Class A-1 CM Voting Notes.

A beneficial interest in a Regulation S Global Certificate that represents Class A-2 CM Non-Voting Notes may not be exchanged for an interest in a Regulation S Global Certificate that represents Class A-2 CM Non-Voting Exchangeable Notes or Class A-2 CM Voting Notes.

A beneficial interest in a Regulation S Global Certificate that represents Class A-3 CM Non-Voting Notes may not be exchanged for an interest in a Regulation S Global Certificate that represents Class A-3 CM Non-Voting Exchangeable Notes or Class A-3 CM Voting Notes.

A beneficial interest in a Regulation S Global Certificate that represents Class B-1 CM Non-Voting Notes may not be exchanged for an interest in a Regulation S Global Certificate that represents Class B-1 CM Non-Voting Exchangeable Notes or Class B-1 CM Voting Notes.

A beneficial interest in a Regulation S Global Certificate that represents Class B-2 CM Non-Voting Notes may not be exchanged for an interest in a Regulation S Global Certificate that represents Class B-2 CM Non-Voting Exchangeable Notes or Class B-2 CM Voting Notes.

A beneficial interest in a Regulation S Global Certificate that represents Class C CM Non-Voting Notes may not be exchanged for an interest in a Regulation S Global Certificate that represents Class C CM Non-Voting Exchangeable Notes or Class C CM Voting Notes.

A beneficial interest in a Regulation S Global Certificate that represents Class D CM Non-Voting Notes may not be exchanged for an interest in a Regulation S Global Certificate that represents Class D CM Non-Voting Exchangeable Notes or Class D CM Voting Notes.

Bearer Notes

The Notes are not issuable in bearer form.

Exchange for Definitive Certificates

Exchange

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Definitive Exchange Date (as defined below), in whole but not in part, for Definitive Certificates if a Global Certificate is held (directly or indirectly) on behalf of Euroclear, Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

In addition, interests in Global Certificates representing Class E Notes, Class F Notes or Subordinated Notes may be exchangeable for interests in a Definitive Certificate representing the Class E Notes, Class F Notes or Subordinated Note if a transferee is acting on behalf of a Benefit Plan Investor or is a Controlling Person provided: (i) such transferee has obtained the written consent of the Issuer in respect of such transfer; and (ii) the transferee has provided the Issuer with an ERISA certificate substantially in the form of Annex A.

Interests in Global Certificates representing Class F Notes or Subordinated Notes may be exchangeable for interests in Definitive Certificates representing Class F Notes or Subordinated Notes in accordance with the Conditions as amended above.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

"**Definitive Exchange Date**" means a day falling not less than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar and the Transfer Agent is located.

Delivery

In such circumstances, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates and (b) in the case of the Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*" below.

Legends

The holder of a Class F Note or Subordinated Note in registered definitive form, as applicable, may transfer the Notes represented thereby in whole or in part in the applicable the Minimum Denomination and Authorised Integral Amounts thereof by surrendering such Note(s) at the specified office of the Registrar or the Transfer Agent, together with the completed form of transfer and to the extent applicable, consent of the Issuer and a duly completed ERISA Certificate substantially in the form of Annex A. Upon the transfer, exchange or replacement of a Class F Note or Subordinated Note in registered definitive form, as applicable, bearing the legend referred to under "*Transfer Restrictions*" below, or upon specific request for removal of the legend on a Definitive Certificate in registered definitive form, as applicable, the Issuer will deliver only Class F Notes or Subordinated Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. With the written consent of the Issuer, a Class F Note or Subordinated Note in the form of a Definitive Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate or a Regulation S Global Certificate, subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate or a Regulation S Global Certificate (as applicable).

BOOK ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Collateral Manager, the Placement Agent or any Agent party to the Agency and Account Bank Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading (See "*Settlement and Transfer of Notes*" below).

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

Each Regulation S Global Certificate and each Rule 144A Global Certificate will have an ISIN and a Common Code and will be registered in the name of a nominee of a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any

aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participant and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Certificate held within a Clearing System is exchanged for Definitive Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

RATINGS OF THE NOTES

General

It is a condition of the issue and sale of the Notes that the Notes (except for the Subordinated Notes) be issued with at least the following ratings: the Class A Notes "Aaa(sf)" from Moody's and "AAA(sf)" from Fitch; the Class B Notes: "Aa2(sf)" from Moody's and "AA(sf)" from Fitch; the Class C Notes: "A2(sf)" from Moody's and "A(sf)" from Fitch; the Class D Notes: "Baa2(sf)" from Moody's and "BBB(sf)" from Fitch; the Class E Notes: "Ba2(sf)" from Moody's and "BB(sf)" from Fitch; and the Class F Notes: "B2(sf)" from Moody's and "B-(sf)" from Fitch. The Subordinated Notes being offered hereby will not be rated.

The ratings assigned to the Class A Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the other Rated Notes address the ultimate payment of principal and interest.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable rating agency.

As of the date of this Offering Circular, each of the Rating Agencies is established in the EU and is registered under the CRA Regulation. As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation.

Moody's Ratings

The ratings assigned to the Rated Notes by Moody's are based upon its assessment of the probability that the Collateral Obligations will provide sufficient funds to pay each such Class of Notes, based largely upon Moody's statistical analysis of historical default rates on debt obligations with various ratings, the asset and interest coverage required for such Class of Rated Notes (which in the case of a Class of Rated Notes is achieved through the subordination of each Class of Notes ranking below such Class of Rated Notes) and the diversification requirements that the Collateral Obligations are required to satisfy.

Moody's ratings address the expected loss posed to investors by the legal final maturity on the Maturity Date. The structure allows for timely payment of interest and ultimate payment of principal with respect to the Class A Notes and the Class B Notes by the legal final maturity on the Maturity Date.

Moody's analysis of the likelihood that each Collateral Obligation will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the expected volatility of the default rate of the portfolio based on the level of diversification by region, obligor and industry. There can be no assurance that the actual default rates on the Collateral Obligations held by the Issuer will not exceed the rates assumed by Moody's in its analysis.

In addition to these quantitative tests, Moody's ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager, the legal structure and the risks associated with such structure and other factors that they deem relevant.

Fitch Ratings

The ratings assigned to the Rated Notes by Fitch are based upon Fitch's statistical analysis of historical default rates on debt obligations with similar characteristics to the Collateral Obligations and the various eligibility requirements that the Collateral Obligations are required to satisfy.

Fitch analyses the likelihood that each Collateral Obligation will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Fitch then determines the level of credit protection necessary based on a specific percentile of the portfolio default distribution determined by the Fitch "Portfolio Credit Model" which takes into account the correlation between assets in the portfolio based on the level of diversification by region, issuer and industry. The results of a statistical analysis are incorporated into a cash flow model built to mimic the structure of the

transaction. In this regard, the results of several default scenarios, in conjunction with various qualitative tests (e.g. analysis of the strength of the Collateral Manager), are used to determine the credit enhancement required to support a particular rating.

Fitch Ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Collateral Obligations will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not differ from those assumed by Fitch.

In addition to those quantitative tests, Fitch Ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.

THE ISSUER

General

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated with the name of Babson Euro CLO 2015-1 B.V. under the laws of The Netherlands on 19 December 2014 for an indefinite period having its corporate seat in Amsterdam, The Netherlands and its registered office at Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands. The Issuer is registered in the commercial register of the Chamber of Commerce and Industries for Amsterdam under number 62121871. The telephone number of the registered office of the Issuer is +31 20 575 5600 and the facsimile number is +31 20 673 0016.

Corporate Purpose of the Issuer

The Issuer is incorporated as a special purpose company and was established to raise capital by the issue of the Notes. The Articles of Association (the "**Articles**") of the Issuer dated 19 December 2014 (as currently in effect) provide under Clause 3 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,

as well as to participate in, to manage and to finance other enterprises and companies, to provide security for the debts of third parties and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the widest sense.

Business Activity

Prior to the Issue Date, the Issuer entered into the Warehouse Arrangements in order to enable the Issuer to acquire certain Collateral Obligations on or before the Issue Date. Amounts owing under the Warehouse Arrangements will be fully repaid on the Issue Date using the proceeds from the issuance of the Notes.

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the authorisation and entry into of the Warehouse Arrangements, the acquisition of the Portfolio, the authorisation and issue of the Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Collateral Acquisition Agreements, the Notes, the Placement Agency Agreement, the Retention Notes Purchase Agreement, the Agency and Account Bank Agreement, the Trust Deed, the Collateral Management and Administration Agreement, the Administration Agreement, the Warehouse Termination Agreement, each Hedge Agreement and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Portfolio.

Management

The current managing directors (the "**Directors**") are:

Name	Occupation	Business Address
H.P.C. Mourits	Director	Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands
A. Weglau	Director	Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands
S.E.J. Ruigrok	Director	Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands

Pursuant to the Issuer Management Agreement, the Directors will provide management, corporate and administrative services to the Issuer. The Issuer, may terminate the Issuer Management Agreement by giving not

less than 14 days' written notice. The Directors may retire from its obligations pursuant to the Issuer Management Agreement by giving at least two months' notice in writing to the Issuer. The Directors have undertaken not to resign unless suitable replacement managing directors have been contracted.

Director's Experience

Mr. Huub P.C. Mourits

Mr. Mourits joined the TMF Group in 2001 as (Risk) Controller of the Financial Services division. In this capacity Mr. Mourits implemented risk control mechanisms and guidelines in various areas, including operational risk control tools for securitisation transactions and CDOs. In June 2007 he became Global Managing Director of TMF Structured Finance Services. Before joining TMF, Mr. Mourits was employed as a Risk Controller at NIB Capital Bank (now NIBC N.V.). Mr. Mourits holds a Master's degree in Economics and Business Administration.

Mr. Arthur Weglau

Arthur Weglau is Head Transaction Managers at TMF Structured Finance Services in The Netherlands. Before joining the TMF Group, Mr. Weglau worked for PricewaterhouseCoopers as a Tax Advisor, providing tax advice and assistance to foreign multinational companies expanding their business into the Netherlands. Mr. Weglau holds a Master's degree in Dutch Tax Law from Groningen University, and completed a post academic programme in Structured Finance at the Grotius Academy.

Mr. Steffen E.J. Ruigrok

Steffen E.J. Ruigrok heads the Outsourcing Business Services department of TMF Netherlands. Prior to this position Mr Ruigrok was the head of the accounting and reporting department of TMF Structured Finance Services in the Netherlands. Before joining the TMF Group in 2004, Mr Ruigrok was an Auditor with Coopers and Lybrand (now PricewaterhouseCoopers N.V.), and held a corporate finance position at an international M&A boutique in The Netherlands. He currently also serves as mentor for structured finance and financial instruments related research at the NIVRA-Nijenrode School of Accountancy and Controlling. Mr Ruigrok holds a Bachelor's degree in Business Administration from Nijenrode Business University, and Master's degrees in Economics and in Accounting, both from the Vrije University Amsterdam. Mr Ruigrok is a qualified Chartered Certified Accountant.

Capital and Shares

The capital of the Issuer consists of one share which has a nominal value of one euro (€1.00) and is held by the Foundation.

Capitalisation

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

Share Capital

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

Loan Capital

Class A-1 Notes	€206,700,000
Class A-2 Notes	€5,300,000
Class A-3 Notes	€26,400,000
Class B-1 Notes	€32,600,000
Class B-2 Notes	€10,600,000
Class C Notes	€22,000,000
Class D Notes	€21,600,000
Class E Notes	€31,200,000
Class F Notes	€12,400,000
Subordinated Notes	€47,400,000
Total Capitalisation	**€416,200,001**

Indebtedness

The Issuer has no indebtedness as at the date of this Offering Circular, other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein (including the funding provided pursuant to the Warehouse Arrangements, which will be repaid in full on the Issue Date).

Holding Structure

The entire issued share capital of the Issuer is directly owned by Stichting Babson Euro CLO 2015-1, a foundation (*stichting*) established under the laws of The Netherlands having its registered office at Herikerbergweg 238, 1101 CM, Amsterdam, The Netherlands (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 management agreement dated 8 September 2015 between the Foundation and the TMF Management B.V., measures will be in put in place to limit and regulate the control which the Foundation has over the Issuer.

Subsidiaries

The Issuer has no subsidiaries.

Administrative Expenses of the Issuer

The Issuer is expected to incur certain Administrative Expenses (as defined in Condition 1 (*Definitions*) of the Terms and Conditions of the Notes).

Financial Statements

Since its date of incorporation, save as disclosed herein, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Offering Circular. The Issuer intends to publish its first financial statements in respect of the period ending on 30 November 2015. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 30 November in each year.

The auditors of the Issuer are KPMG Accountants N.V., who are chartered accountants and are members of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*), and registered auditors qualified in practice in The Netherlands.

DESCRIPTION OF THE COLLATERAL MANAGER

The Issuer has accurately reproduced the information contained in the section entitled "Description of the Collateral Manager" from information provided to it by the Collateral Manager but it has not independently verified such information. So far as the Issuer is aware and is able to ascertain from information published by the Collateral Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading. The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Placement Agent, the Arranger or any other party. None of the Placement Agent or any other party other than the Collateral Manager assumes any responsibility for the accuracy or completeness of such information. The delivery of this Offering Circular will not create any implication that there has been no change in the affairs of the Collateral Manager since the date of this Offering Circular, or that the information contained or referred to in this section is correct as of any time subsequent to the date of this Offering Circular.

General

Babson Capital Management (UK) Limited (formerly known as Babson Capital Europe Limited), an indirect subsidiary of Babson Capital Management LLC. ("**Babson Capital**"), will act as the Collateral Manager. The Collateral Manager was incorporated in England and Wales on 4 January 1995 and its registered address is 61 Aldwych, London WC2B 4AE, United Kingdom. The Collateral Manager is authorised and regulated by the Financial Conduct Authority among other things to manage investments for non-private customers. The information herein in relation to the Collateral Manager is correct as at the date of this Offering Circular.

In May 2004, Babson Capital acquired Duke Street Capital Debt Management Limited from Duke Street Capital Group. On 30 September 2004, Duke Street Capital Debt Management Limited changed its name to Babson Capital Europe Limited and subsequently on 30 January 2015 Babson Capital Europe Limited changed its name to Babson Capital Management (UK) Limited.

Babson Capital is an investment management firm that was founded in 1940 and is registered with the U.S. Securities and Exchange Commission as an investment adviser and is based in Cambridge and Springfield, Massachusetts. Babson Capital is an indirect majority owned subsidiary of Massachusetts Mutual Life Insurance Company (MassMutual). Babson Capital manages over USD 218 bn in assets, primarily for institutional investors and high net worth individuals and offers a wide range of absolute return, co-investing, financing and customised mandates utilising equity, fixed-income and derivative instruments. Babson Capital also manages money for institutional and retail investors through subsidiary relationships with several mutual funds. Babson Capital is the investment advisor to MassMutual's General Investment Account.

In its capacity as Collateral Manager, Babson Capital Management (UK) Limited will offer asset selection and portfolio management services to the Issuer. Babson Capital Management (UK) Limited also acts as collateral manager for nine other managed cashflow arbitrage CLOs: Duchess I CDO S.A., Duchess III CDO S.A., Duchess IV CLO B.V., Duchess V CLO B.V., Duchess VI CLO B.V., Duchess VII CLO B.V., Malin CLO B.V., Babson Euro CLO 2014-1 B.V. and Babson Euro CLO 2014-2 B.V.. The notes of Duchess I CDO S.A., Duchess III CDO S.A. and Duchess IV CLO B.V have been redeemed at the option of noteholders and the legal entities will be liquidated in due course once all proceeds have been distributed. In addition, it acts as collateral manager for one market value CLO, Rockall CLO B.V., and as investment manager of a number of managed accounts and fixed income funds.

Investment Policy

Babson Capital Management (UK) Limited as Collateral Manager will manage the investment of the proceeds from the Notes. The eligible collateral consists of loans and debt securities issued or borrowed in leveraged transactions predominantly by UK and continental European companies and to a limited extent companies in the United States of America. The focus will be on secured senior loans and bonds complemented by unsecured senior loans, mezzanine, second lien and/or subordinated loans and other loans and debt securities issued by companies with strong operations and solid capital structures.

Investment Approval Procedure

Investment decisions will be based on determinations made by the High Yield Investment Committee of Babson Capital Management (UK) Limited. The committee quorum is three voting members. An alternate may only make up one member of the High Yield Investment Committee at any one time. Majority approval from High

Yield Investment Committee members is mandatory for any increase in risk. Zak Summerscale has the right of a veto on any High Yield Investment Committee decision approval. Zak Summerscale will chair every committee or nominate an alternate.

The High Yield Investment Committee will monitor credit, liquidity, currency and interest rate risk and compliance with the terms of the Collateral Management and Administration Agreement. In addition, the High Yield Investment Committee will have responsibility to approve the Collateral Manager's investment strategy on behalf of the Issuer and review the Portfolio on a quarterly basis. In practice, all members of the Collateral Manager's team will be encouraged to contribute their views to the matters considered by the High Yield Investment Committee in order to ensure that the experience of all members of staff is considered where relevant.

New investment opportunities will be subject to evaluation in two general respects:

- First, the suitability of the proposed new investment in terms of the Portfolio, i.e. with reference to the required diversity score and weighted average rating, to currency and interest rate risk and to issuer and country concentration rules, etc.

- Second, the cash flow and credit worthiness of the proposed obligor, taking into account both financial and commercial risks, industry and economic factors and strategic and financial structuring considerations.

Where the Collateral Manager, on behalf of the Issuer, is making an investment in the private debt markets, it will regularly make use of reports from specialist advisers who performed due diligence on, for example, the historic and forecast financial performance of the proposed borrower, tax, pension and legal issues. The Collateral Manager typically will perform, among other things, a detailed commercial assessment of the borrower, cash flow modelling and stress testing, industry and economic reviews, management meetings and site visits (where practical and necessary).

There may be circumstances where debt investments are split between existing funds or transferred in whole or in part between funds. This may enable the funds managed by the Collateral Manager and its affiliates to benefit from sufficiently large participations to maximise arrangement fees or meet the funds diversity/size requirements. No such transactions will be permitted to be made for the Issuer unless the Collateral Manager believes they are in the best interests of the funds involved. If appropriate, in the judgement of the Collateral Manager, third party or market valuations would be taken to validate transfer values.

Systems and Policies

Individual loan level data for portfolios managed by the Collateral Manager is tracked and maintained on Wall Street Office. The data is maintained by a division of State Street Bank & Trust under a middle office outsourcing arrangement and provided to Babson Capital on a daily basis. Wall Street Office is an industry standard system for loan administration. Asset data is fed on a daily basis to Everest, a customised system designed for both portfolio management and for the tracking of individual issuers of loans and bonds. Everest is used by the credit analysts as the primary tool for logging and managing information on the performance of individual credits, including leverage statistics, covenants, financial performance and industry related factors. It is also used for documenting and monitoring the limits and trading markers established by the Babson Capital Europe High Yield Investment Committee, as well as for identifying the assets making up the watch list of underperforming credits.

The Collateral Manager has investment policies and procedures for how the portfolio management team is generally expected to track and monitor credit risk across the portfolios managed, including CLO portfolios. The policy and procedures cover credit committee approval processes, setting of trading markers, limit setting and monitoring, individual credit performance monitoring processes, processes around watch lists of underperforming credits and periodic underperforming credit reviews.

Credit Risk Mitigation

For the purposes of acting for the Issuer, the Collateral Manager has 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 processes 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 is required to be administered in line with the administration and monitoring procedures of the Collateral Manager);

(c) adequate diversification of credit portfolios given the target market and overall credit strategy (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 and Administration Agreement and the Retention Undertaking Letter*", which describe the manner in which the Collateral Manager is required to monitor the Portfolio);

(e) to the extent not subject to confidentiality restrictions and requirements of law and regulation, processes to grant access to materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting a securitisation exposure and to any information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures (as to which, see further the sections of this Offering Circular headed "*The Portfolio*" and "*Description of the Reports*", which describe the criteria used for selection of the Collateral Obligations and the reports required to be prepared and provided in respect of such Collateral Obligations);

(f) to the extent not subject to confidentiality restrictions and requirements of law and regulation, processes to grant readily available access to other relevant data necessary for an AIFM to comply with applicable qualitative requirements (as to which, see further the section of this Offering Circular headed "*Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter*", which describes the ways in which the Collateral Manager is required to satisfy the Retention Requirements and "*Description of the Reports*", which provides reporting requirements in respect of satisfaction of the Retention Requirements); and

(g) procedures to disclose the level of their retained net economic interest, as well as matters that could undermine the maintenance of the minimum required net economic interest (as to which, see further the section of this Offering Circular headed "*Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter – Retention Undertaking Letter*", and "*Description of the Reports*", which describe the ways in which the Collateral Manager is required to satisfy the Retention Requirements and how compliance is required to be periodically notified to Noteholders, respectively, and "*Risk Factors – Risk retention*" and "*Risk Factors – Alternative Investment Fund Managers Directive*", which describe risks in respect of satisfaction of the Retention Requirements and compliance with the AIFMD).

Collateral Manager Team

Senior Members of the Investment Team

Russell D. Morrison, *Vice Chairman*, *Head of Global Fixed Income of Babson Capital Management and Chairman and Director of Babson Capital Management (UK) Limited*. Russell Morrison is Vice Chairman and Head of Babson Capital Management's Global Fixed Income Group and Chairman and Director of Babson Capital Management (UK) Limited. He is also a member of the firm's Senior Management Team and is responsible for a significant portion of Babson's investment business. Prior to his current role, he served as Head of the firm's Global High Yield Investments Group. Russ has over 25 years of investment experience. Prior to joining the firm in 2002, he was at First Union Institutional Debt Management (IDM) where he was a senior portfolio manager. Before his tenure at IDM, he was a Vice President for First Union Securities, Inc., a manager in Ernst & Young's Management Consulting Group and an accountant at North Carolina National Bank. Russ holds a B.S. from Wake Forest University and an M.B.A. from Carnegie Mellon's Graduate School of Industrial Administration.

Zak Summerscale, *Chief Investment Officer of European High Yield*. Zak runs the European Loan and High Yield Bond team and chairs both the Babson Capital European High Yield Investment Committee and the Global High Yield Committee. He also has direct portfolio management responsibility for several of the firm's strategies. Zak joined in March 2001 from New Flag Asset Management where he was Portfolio Manager for a European high yield fund. The fund was short-listed by Global Investor Magazine for Investment Excellence in High Yield for 2000. Prior to New Flag, Zak worked for the United Bank of Kuwait ("**UBK**"). He joined UBK as a Distressed Debt Analyst, rising to Senior Portfolio Manager in charge of both the US and European high yield funds. He qualified as an ACA with Ernst & Young in 1996. He has served on the board of the Loan Markets Association (LMA). Zak holds a BA (Hons) in Economics from Durham University.

Martin Horne, *Managing Director*, joined Babson Capital Management (UK) Limited in 2002, and is Head of Research, a member of the Babson Capital Europe High Yield Investment Committee, and has portfolio management responsibilities for a number of funds. Martin joined Babson from Dresdner Kleinwort Wasserstein where he was a member of the European Leverage team that focused on lead arranging and underwriting senior, mezzanine and high yield facilities for financial sponsor driven leverage buyouts throughout Europe. Prior to that, Martin spent three years with both KPMG Corporate Finance and National Westminster Bank. Martin also sits on the Loan Market Association (LMA) board of directors.

Stuart Mathieson, *Managing Director*, joined in May 2002 from PricewaterhouseCoopers where he worked in the Business Recovery Services team in London, and is member of the Institute of Chartered Accountants of England & Wales. With more than 14 years' experience in the sub-investment grade credit markets, Stuart leads the Global Distressed Investments Group which includes responsibility for representing Babson Capital's interests on restructurings and workouts and he also manages high yield portfolios. He also serves as a member of the Babson Capital Europe High Yield Investment Committee. Stuart graduated with a BSc in Chemistry from Keble College, Oxford.

Kam Tugnait, *Managing Director*, joined Babson Capital Management (UK) Limited in May 2011. He has over 20 years' experience in the industry and was one of the pioneers of high yield in Europe. Before joining Babson Capital Management (UK) Limited, Kam was at Gartmore, managing the Gartmore Corporate High Yield Bond Fund. He was instrumental in improving the fund's performance to top quartile in its respective peer group. Prior to Gartmore, Kam served as Head of High Yield at Standard Bank and the United Bank of Kuwait. Kam graduated with an MA in physics from Cambridge University and is a member of the Institute of Chartered Accountants, England & Wales. At Babson Capital Management (UK) Limited, Kam manages the European high yield funds and serves as a member of the Babson Capital Europe High Yield Investment Committee.

Robert Faulkner, *Managing Director*, joined Babson Capital Management (UK) Limited in 2001. Robert is responsible for the portfolio management of the European CLO platform and serves as a member of the Babson Capital Europe High Yield Investment Committee. Robert initially worked in the finance team, later moving into the Portfolio Monitoring team where he gained extensive experience and working knowledge of the leveraged loan environment, responsible for the performance analysis of individual portfolio assets. In 2006 he joined the High Yield team as an analyst, where he was responsible for analysing and transaction new investment opportunities across both loans and bonds, specialising in the Paper and Packaging sector. Robert holds a BSc (Hons) in Economics from the University of London.

Tom Kilpatrick, *Director*, joined in August 2006 from Ernst & Young LLP London, where he worked in the Corporate Restructuring division. Prior to this, Tom worked within Assurance Services, focusing on the Oil and Gas sector. Tom qualified as a chartered accountant in September 2005 under the Institute of Chartered Accountants of Scotland and holds a BSc Accounting and Finance from the London School of Economics. Tom's responsibilities include analysing and transacting new investment opportunities with primary focus on the distressed debt space. Tom is also a member of the Babson Capital Europe High Yield Investment Committee.

Oliver Harker-Smith, *Associate Director*, joined in August 2010 from Barclays Capital, having spent three and a half years working in leveraged finance syndicate and most recently high yield sales and distribution. During his time at Barclays Capital, Oliver spent almost two years working on syndicating private equity buyouts in Europe before concentrating on an investor coverage role, predominantly facilitating the primary distribution and secondary trading of loans and high yield bonds. Oliver graduated from Dartmouth College in 2005 with a BA, majoring in Economics. Oliver's responsibilities include analysing and transacting new investment opportunities and assisting with the portfolio management of the European CLO platform.

Senior Members of Corporate and Operations Teams

Tom Finke, *Chairman and Chief Executive Officer of Babson Capital Management LLC and Director of Babson Capital Management (UK) Limited*. Tom's 23-year financial career has included roles in both the banking and investment industry. He joined Babson Capital in June 2002 when the firm acquired First Union Institutional Debt Management, Inc. from Wachovia Corporation, a bank loan business he co-founded and helped grow to over USD 3.6 billion in assets. For the next five years, he headed the Babson Capital's U.S. Bank Loan Team as it developed into one of the largest bank loan managers in the US. In addition to his Babson Capital duties, Tom acts as Director of Babson Capital Management (UK) Limited, Chairman of Cornerstone Real Estate Advisers and Director of WoodCreek Capital Management, LLC. All are wholly owned subsidiaries of Babson Capital Management LLC. Between December 2008 and May 2011 Tom also served as Executive Vice President and Chief Investment Officer for the Massachusetts Mutual Life Insurance Company, relinquishing these duties to focus on the expanding Babson Capital enterprise. He received an M.B.A. from Duke University's Fuqua School of Business and holds a bachelor's degree from the University of Virginia's McIntire School of Commerce.

Oliver Burgel, *Chief Operating Officer*. Oliver is the Chief Operating Officer of Babson Capital Management (UK) Limited. He joined the firm when it was set up in 2000, initially to structure its CLO funds and to analyse leveraged loan investment opportunities. Oliver is now responsible for the general management of Babson Capital Management (UK) Limited and its subsidiaries, which includes new product development, structuring, financial management and operational, risk and regulatory oversight. Oliver serves on the boards of Babson Capital Management (UK) Limited, Babson Capital Global Advisors and several affiliated fund entities. Prior to joining Babson Capital Management (UK) Limited, Oliver worked at London Business School and the Centre for European Economic Research in Mannheim, Germany. Oliver holds an MSc (Econ) from the London School of Economics and a PhD from the University of Warwick.

William Gilson, *Managing Director*, joined Babson Capital Management (UK) Limited in 2014 from Aviva Investors where he was Global Head of Operations and responsible for all Core Investment and Fund Operations. He has 29 years' experience in the industry across the UK and Luxembourg. Prior to taking on the that role he was Managing Director of Aviva Investors Luxembourg a super management company covering UCITS and AIFMD funds across all asset classes including Infrastructure Debt and was a director on multiple fund structures in a variety of domiciles. William has responsibilities for all European Operations at Babson Capital Management (UK) Limited.

Ben Greene, *Managing Director*, joined in February 2006 from Deloitte where he worked in the Quantitative Risk Consulting group within the Financial Services Advisory division. Within this group Ben carried out a range of projects around the management and monitoring of market and credit risk within banks and corporate treasuries, as well as performing specialist derivative valuation and accounting work. Ben graduated with an MA Cantab in Economics from the University of Cambridge, and qualified as an ACA with Deloitte in 2003. Ben also obtained the Securities & Investment Institute Diploma in 2005. Ben's responsibilities include structuring and financial risk modelling for new and existing funds, currency hedging and risk management.

George Williams, *Director*, joined Babson Capital Management (UK) Limited in October 2005 from Schroders Plc after 11 years working within the Finance team. Most recently George was Financial Controller for Schroder & Co., the private bank within the Schroders Group. Prior to this, George spent three years within the Financial Markets division supporting a diverse range of Treasury and Structured Products, and three years within the Group Finance team. George qualified as an ACMA in 1994 while working for Marsh & McLennan Inc., he also holds a BSc (Hons) in Chemical Engineering from Aston University. George's responsibilities at Babson Capital Management (UK) Limited include financial and management reporting, regulatory compliance, and overseeing controls over the Company's assets and financial processes.

Peter Clark, *Managing Director*, joined Babson Capital Management (UK) Limited in 2007 from the London office of Latham & Watkins, where he was a Senior Associate and a member of the Finance Group. Over the years, Peter has represented a wide range of banks, financial institutions, equity sponsors, corporates and hedge funds in leveraged finance, debt restructurings, structured finance and cross-border acquisitions. Peter's responsibilities at Babson Capital Management (UK) Limited include analysing the legal aspects of investment opportunities, structuring new funds, engaging in workout and restructuring discussions with respect to distressed loan investments and handling legal and compliance issues generally. Peter was admitted as a Solicitor of the Senior Courts of England and Wales in 1999 and as a member of the California State Bar in 2001.

Lizzie Ball, *Director*, joined in 2009 from Lovells, London office where she was a Senior Associate in the Acquisition Finance team. While in private practice, Lizzie represented banks, corporates and private equity sponsors acting on leveraged finance transactions, corporate lending, debt restructurings and cross-border acquisitions. Whilst at Lovells, Lizzie spent six months working for the banking group in the Hong Kong office and spent time on secondment to the Leveraged Finance team at Merrill Lynch and the Strategic Debt Finance team at Barclays Bank PLC. Lizzie graduated from Manchester University with a Law LLB (Hons) and qualified as a solicitor in 2004. Lizzie's responsibilities at Babson Capital Management (UK) Limited include analysing the legal aspects of investment opportunities, working on restructurings, and assisting with structuring new funds and general legal issues.

THE PORTFOLIO

The following description of the Portfolio consists of a summary of certain provisions of the Collateral Management and Administration Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement. Capitalised terms used in this section and not otherwise defined herein or in this Offering Circular shall have the meaning given to them in Condition 1 (Definitions) of the Terms and Conditions.

1. Introduction

Pursuant to the Collateral Management and Administration 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 to the extent and in accordance with the information provided to it by the Collateral Manager.

2. Acquisition of Collateral Obligations

The Collateral Manager will determine and will use reasonable endeavours to cause to be acquired by the Issuer a portfolio of Secured Senior Obligations (which may consist of Secured Senior Loans and/or Secured Senior Notes), Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds during the Initial Investment Period, the Reinvestment Period and thereafter (including, but not limited to, Collateral Obligations purchased pursuant to the Warehouse Arrangements). The Issuer anticipates that, by the Issue Date, it will have purchased or committed to purchase (or the Collateral Manager on its behalf) Collateral Obligations, the Aggregate Principal Balance of which is equal to at least €280,000,000 which is approximately 70 per cent. of the Target Par Amount. The proceeds of the issuance of the Notes remaining after repayment to the relevant lenders under the Warehouse Arrangements of the funding provided by them to finance the purchase of Collateral Obligations prior to the Issue Date shall be deposited into the Unused Proceeds Account to be utilised to fund the acquisition of Collateral Obligations complying with the Eligibility Criteria purchased by the Issuer during the Initial Investment Period (as defined in the Conditions). The Collateral Manager acting on behalf of the Issuer shall use commercially reasonable endeavours to purchase Collateral Obligations with an Aggregate Principal Balance (together with Collateral Obligations previously acquired) equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period.

The Issuer does not expect and is not required to satisfy the Collateral Quality Tests, Portfolio Profile Tests, the Coverage Tests or the Interest Diversion 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 the Payment Date in April 2016, subject to the Effective Date Determination Requirements being satisfied.

On or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account will be transferred to the Principal Account and/or the Interest Account, in each case, at the discretion of the Collateral Manager (acting on behalf of the Issuer), provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Obligations, the Aggregate Principal Balance of which equals or exceeds the Target Par Amount; and (ii) no more than 50 per cent. of such Balance as at the Effective Date but in any event no more than 1 per cent. of the Collateral Principal Amount as of the Issue Date may be transferred to the Interest Account. For the avoidance of doubt, the remainder of such Balance will be transferred to the Principal Account.

Within 10 Business Days following the Effective Date, the Collateral Administrator shall issue a report (the "**Effective Date Report**") containing the information required in a Monthly Report, confirming whether the Issuer has acquired or entered into a binding commitment to acquire Collateral Obligations having an Aggregate Principal Balance which equals or exceeds the Target Par Amount, copies of which shall be forwarded to the Issuer, the Trustee, the Collateral Manager, the Hedge Counterparties 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 Moody's Collateral Value and its Fitch Collateral Value) and the Issuer will provide, or cause the Collateral Manager to provide to the Trustee, within 30

Business Days of the Effective Date, 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 and the Coverage Tests by reference to such Collateral Obligations.

The Collateral Manager (acting on behalf of the Issuer) shall promptly, following receipt of the Effective Date Report, request that each of the Rating Agencies (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 20 Business Days following the Effective Date the Collateral Manager shall promptly notify Moody's. If (i) the Effective Date Determination Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure or (ii) the Collateral Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to the Rating Agencies or Rating Agency Confirmation is not received in respect of such Rating Confirmation Plan, an Effective Date Rating Event shall have occurred, provided that any downgrade or withdrawal 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. If an Effective Date Rating Event has occurred and is continuing on the Business Day prior to the next Payment Date following the Effective Date, the Rated Notes shall be redeemed, pursuant to Condition 7(e) (*Redemption upon Effective Date Rating Event*) on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payments, until the earlier of (x) the date on which the Effective Date Rating Event is no longer continuing and (y) the date on which the Rated Notes have been redeemed in full. The Collateral Manager shall notify the Rating Agencies upon the discontinuance of an Effective Date Rating Event.

During such time as an Effective Date Rating Event shall have occurred and be continuing, the Collateral Manager (acting on behalf of the Issuer) may prepare and present to the Rating Agencies a Rating Confirmation Plan setting forth the timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which is intended to cause confirmation or reinstatement of the Initial Ratings. The Collateral Manager (acting on behalf of the Issuer) is under no obligation whatsoever to present a Rating Confirmation Plan to the Rating Agencies.

3. 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 (or, in the case of Issue Date Collateral Obligations, on the Issue Date) (the "**Eligibility Criteria**") as determined by the Collateral Manager in accordance with the Collateral Management and Administration Agreement:

(a) it is a Secured Senior Obligation, a Secured Senior Note, a Corporate Rescue Loan, an Unsecured Senior Obligation, a Mezzanine Obligation, a Second Lien Loan, a First Lien Last Out 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) other than in the case of a Revolving Obligation or a Delayed Drawdown Collateral Obligation, denominated in United States dollars, pounds sterling or any other lawful currency of a Non-Emerging Market Country and is not convertible into or payable in any other currency and the Issuer, with effect from the date of acquisition thereof and conditional upon the satisfaction of the Hedging Condition, enters into a Currency Hedge Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such Non-Euro Obligation and otherwise complies with the requirements set out in respect of Non-Euro Obligations in the Collateral Management and Administration Agreement;

(c) it is not a Defaulted Obligation, a Credit Risk Obligation or Exchanged Security, including any obligation convertible into an Exchanged Security;

(d) it is not a lease (including, for the avoidance of doubt, a financial lease);

(e) it is not a Structured Finance Security or a Synthetic Security;

(f) it provides for a fixed amount of principal payable in cash on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;

(g) it is not a Zero Coupon Security, Step-Up Coupon Security or Step-Down Coupon Security;

(h) it does not constitute "margin stock" (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);

(i) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments to the Issuer will not be subject to withholding or deduction for or on account of tax imposed by any jurisdiction (other than U.S. withholding tax on fees) unless either (i) such withholding tax, on completion of the necessary procedural formalities, if any, can be sheltered by application being made under the applicable double tax treaty or any relevant domestic law, or (ii) the Obligor (or, if relevant, Selling Institution) is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding or deduction on an after-tax basis;

(j) other than in the case of Corporate Rescue Loans, it is an obligation which has a Moody's Rating of "Caa3" or higher and a Fitch Rating of "CCC" or higher;

(k) it is not a debt obligation whose repayment is subject to substantial non-credit related risk, including catastrophe bonds or instruments whose repayment is conditional on the non-occurrence of certain catastrophes or similar events;

(l) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those: (i) which may arise at its option; (ii) which are fully collateralised; (iii) which are owed to the agent bank or security agent in relation to the performance of its duties under or in connection with a Collateral Obligation; (iv) which are associated with tax credits arising in connection with grossed-up payments made to the Issuer; (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 Obligation and where the Restructured Obligation satisfies the Restructured Obligation Criteria and, for the avoidance of doubt, the Issuer is not liable to pay any amounts in respect of a Restructured 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 Collateral Obligation;

(m) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;

(n) it is not a debt obligation that pays scheduled interest less frequently than annually (other than, for the avoidance of doubt, PIK Securities);

(o) it is not a debt obligation which pays interest only and does not require the repayment of principal;

(p) it is not subject to 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;

(q) the Collateral Obligation Stated Maturity thereof falls prior to the Maturity Date of the Notes;

(r) its acquisition by the Issuer will not result in the imposition of stamp duty or stamp duty reserve tax payable by the Issuer, unless such stamp duty or stamp duty reserve tax has been included in the purchase price of such Collateral Obligation;

(s) upon acquisition, both the Collateral Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest or comparable security arrangement having

substantially the same effect as a first priority security interest in favour of the Trustee for the benefit of the Secured Parties;

(t) is an obligation of an Obligor or Obligors Domiciled in a Non-Emerging Market Country (as determined by the Collateral Manager acting on behalf of the Issuer);

(u) it is not a Dutch Ineligible Security;

(v) is not an obligation of a borrower who or which is resident in or incorporated under the laws of The Netherlands and who or which is not acting in the conduct of a business or profession;

(w) it has not been called for, and is not subject to a pending, redemption;

(x) it is capable of being sold, assigned or participated to the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions or of any legal or regulatory requirements 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 or participation under any applicable law;

(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 a Deferring Security;

(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) requires the consent of more than 50 per cent. of the lenders to the Obligor thereunder for any change that is adverse to the interests of holders thereof to the principal repayment profile or interest applicable on such obligation (for the avoidance of doubt, excluding any changes originally envisaged in the Underlying Instrument), provided that in the case of a Collateral Obligation that is a bond, such percentage requirement shall refer to the percentage of holders required to approve a resolution on any such matter, either as a percentage of those attending a quorate bondholder meeting or as a percentage of all bondholders acting by way of a written resolution; and

(dd) it is not a "letter of credit" as determined by the Collateral Manager.

Other than (i) Issue Date Collateral Obligations which must satisfy the Eligibility Criteria on the Issue Date and (ii) Collateral Obligations which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Collateral Obligation or by way of substitution of new obligations and/or change of Obligor) which 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.

4. 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 and, such restructuring is in connection with an insolvency, bankruptcy, reorganisation, debt restructuring or workout of the Obligor thereof, such obligation shall only constitute a Restructured Obligation if such obligation has a Fitch rating and satisfies each of the criteria comprising the Eligibility Criteria other than the criteria set out in paragraphs (c), (i), (j) (q), (w) and (aa) (notwithstanding the fact that a Collateral Obligation is subject to a pending redemption), provided that if the redemption price of such Collateral Obligation is

expected to be 100 per cent. of the Principal Balance of such Collateral Obligation thereof (such applicable criteria, the "**Restructured Obligation Criteria**").

For the avoidance of doubt, a repayment of a Collateral Obligation in circumstances whereby the redemption proceeds are rolled as consideration for a new obligation (including by way of a "**cashless roll**") shall be treated as the acquisition by the Issuer of a new Collateral Obligation and not as the acquisition of a Restructured Obligation.

5. Management of the Portfolio

Overview

The Collateral Manager (acting on behalf of the Issuer) is permitted to sell Collateral Obligations and Exchanged Securities and to reinvest the Sale Proceeds (other than accrued interest on such Collateral Obligations included in Interest Proceeds by the Collateral Manager) thereof in Substitute Collateral Obligations in accordance with the terms of the Collateral Management and Administration Agreement. The Collateral Manager shall notify the Collateral Administrator of all necessary details of the Collateral Obligation or Exchanged 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 in connection with any such sale or reinvestment are satisfied or, if any such criteria are not satisfied, shall notify the Issuer and the Collateral Manager of the reasons and the extent to which such criteria are not so satisfied.

The Collateral Manager will determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Obligations (including all Substitute Collateral Obligations) which satisfy the Eligibility Criteria and, where applicable, the Reinvestment Criteria and will monitor the performance of the Collateral Obligations on an ongoing basis to the extent practicable using sources of information reasonably available to it and provided that the Collateral Manager shall not be responsible for determining whether or not the terms of any individual Collateral Obligation have been observed.

Pursuant to the Collateral Management and Administration Agreement the Issuer authorises the Collateral Manager to undertake the activities referred to below on behalf of the Issuer in accordance with the terms of the Collateral Management and Administration Agreement subject to the Issuer's monitoring of the performance of the Collateral Manager under the Collateral Management and Administration Agreement.

Sale of Issue Date Collateral Obligations

The Collateral Manager, acting on behalf of the Issuer, shall sell any Non-Eligible Issue Date Collateral Obligation. Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Obligations satisfying the Eligibility Criteria or credited to the Principal Account pending such reinvestment.

Terms and Conditions applicable to the Sale of Credit Risk Obligations, Credit Improved Obligations, 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, within the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default having occurred which is continuing.

The Collateral Manager shall use commercially reasonable endeavours to effect the sale of any Equity Securities in the Portfolio.

Terms and Conditions applicable to the Sale of Exchanged Securities

Any Exchanged Security may be sold at any time by the Collateral Manager in its discretion (acting on behalf of the Issuer), subject to, within the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Securities as provided above, the Collateral Manager shall be required by the Issuer to use commercially reasonable endeavours to sell (on behalf of the Issuer) any Exchanged Security which constitutes Margin Stock, as soon as practicable upon its receipt or upon its becoming Margin Stock (as applicable), unless such sale is prohibited by applicable law, in which case such Exchanged Security shall be sold as soon as such sale is permitted by applicable law.

Discretionary Sales

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may dispose of any Collateral Obligation (other than a Credit Improved Obligation, a Credit Risk Obligation, a Defaulted Obligation or an Exchanged Security, each of which may only be sold in the circumstances provided above) at any time (other than during a Restricted Trading Period) provided:

(a) no Event of Default having occurred which is continuing (in the case of the Collateral Manager, to its knowledge, without the need for inquiry or investigation);

(b) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Issue Date) is not greater than 30 per cent. of the Collateral Principal Amount as of the first day of such 12 calendar month period (or as of the Issue Date, as the case may be); and

(c) either:

(i) during the Reinvestment Period, the Collateral Manager reasonably believes prior to such sale that it will be able to enter one or more binding commitments to reinvest all or a portion of the proceeds of such sale in one or more additional Collateral Obligations within 60 days after the settlement of such sale in accordance with the Reinvestment Criteria; or

(ii) at any time, either: (1) the Sale Proceeds of such Collateral Obligation are at least equal to the Principal Balance of such Collateral Obligation; or (2) after giving effect to such sale, the Aggregate Principal Balance of all the Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the expected Sale Proceeds of such sale and, for which purpose, the Principal Balance of each Defaulted Obligation shall be the lower of its Market Value and its Moody's Recovery Rate) plus, without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (including Eligible Investments therein) will be greater than (or equal to) the Reinvestment Target Par Balance.

For the purposes of determining the percentage of Collateral Obligations sold during any such period, the amount of any Collateral Obligations sold will be reduced to the extent of any purchases of Collateral Obligations of the same Obligor (which are *pari passu* or senior to such sold Collateral Obligations) occurring within 45 Business Days of such sale (determined based upon the date of any relevant trade confirmation or commitment letter) so long as any such Collateral Obligation was sold with the intention of purchasing a Collateral Obligation of the same Obligor (which would be *pari passu* or senior to such sold Collateral Obligation).

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 Notes of any Class by the Issuer, the Collateral Manager (acting on behalf of the Issuer) will (if requested by the Trustee following the enforcement of such security), as far as reasonably practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date or date of sale of all or part of the Portfolio, as applicable, in accordance with Condition 7 (*Redemption and Purchase*) and Clause 7 (*Realisation of Collateral*) of the Collateral Management and Administration Agreement but without regard to the limitations set out in Clause 6 (*Sale and Reinvestment of Portfolio Assets*) and Schedule 5 (*Reinvestment Criteria*) of the Collateral Management and Administration Agreement

(which will include any limitations or restrictions set out in the Conditions and the Trust Deed). In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Collateral Management and Administration Agreement, the Collateral Manager shall use commercially reasonable endeavours to sell such asset. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Unsaleable Assets

After the Reinvestment Period, at the direction and discretion of the Collateral Manager and at the expense of the Issuer, the Collateral Manager may conduct an auction of Unsaleable Assets in accordance with the following procedures.

The Collateral Manager shall notify the Issuer, the Collateral Administrator and the Principal Paying Agent of its intention to conduct such auction, and promptly after receipt of such direction, the Trustee will provide notice (in such form as is prepared by the Collateral Manager) to the Noteholders (and, for so long as any Notes rated by a Rating Agency are Outstanding, such Rating Agency) of such auction, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures:

(a) any Noteholder may submit a written bid to purchase one or more Unsaleable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice);

(b) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice;

(c) if no Noteholder submits such a bid, unless delivery in kind is not legally or commercially practicable, the Issuer will provide notice thereof to each Noteholder and offer to deliver (at no cost) a *pro rata* portion of each unsold Unsaleable Asset to the Noteholders of the most senior Class Outstanding that provide delivery instructions to the Issuer on or before the date specified in such notice, subject to minimum denominations. To the extent that minimum denominations do not permit a *pro rata* distribution, the Collateral Manager will identify and the Issuer will distribute the Unsaleable Assets on a *pro rata* basis to the extent possible and the Collateral Manager will select by lottery the Noteholder to whom the remaining amount will be delivered. The Issuer will use commercially reasonable efforts to effect delivery of such interests. For the avoidance of doubt, any such delivery to the Noteholders will not operate to reduce the Principal Amount Outstanding of the related Class of Notes held by such Noteholders; and

(d) if no such Noteholder provides delivery instructions to the Issuer, the Issuer will promptly notify the Collateral Manager and offer to deliver (at no cost) the Unsaleable Asset to the Collateral Manager. If the Collateral Manager declines such offer, the Issuer will take such action as directed by the Collateral Manager (on behalf of the Issuer) to dispose of the Unsaleable Asset, which may be by donation to a charity, abandonment or other means.

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 (which criteria, other than the Eligibility Criteria, shall apply only after the Effective Date) must be satisfied:

(a) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default has occurred that is continuing at the time of such purchase;

(b) such obligation is a Collateral Obligation;

(c) the Coverage Tests (other than prior to the Determination Date immediately preceding the second Payment Date, the Interest Coverage Tests) are satisfied or if (other than with respect to the reinvestment of any proceeds received upon the sale of, or as a recovery on, any Defaulted Obligation, such proceeds may only be reinvested if the Coverage Tests will be satisfied immediately following such reinvestment) as calculated immediately prior to any purchase of a Substitute Collateral Obligation any Coverage Test was not satisfied, the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment;

(d) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds of a Credit Risk Obligation or a Defaulted Obligation either:

(i) the Aggregate Principal Balance of all Substitute Collateral Obligations purchased with such Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds shall at least equal such Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds;

(ii) the Aggregate Principal Balance of the Collateral Obligations will be maintained or increased when compared to the Aggregate Principal Balance of the Collateral Obligations (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Market Value) immediately prior to such sale or repayment;

(iii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding each Collateral Obligation or part thereof being sold or repaid but including, without duplication, each Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such sale or repayment 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 its Market Value); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments) acquired with cash standing to the credit of such Accounts) is equal to or greater than the Reinvestment Target Par Balance; or

(iv) the Adjusted Collateral Principal Amount is maintained or increased;

(e) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds of a Credit Improved Obligation either:

(i) the Aggregate Principal Balance of all Collateral Obligations shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Market Value) immediately prior to the sale or repayment that generates such Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds;

(ii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding each Collateral Obligation or part thereof being sold or repaid but including, without duplication, each Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such sale or repayment 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 its Market Value); and

(B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is equal to or greater than the Reinvestment Target Par Balance; or

(iii) the Adjusted Collateral Principal Amount is maintained or increased;

(f) either: (A) each of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied; or (B) as calculated immediately prior to any purchase of a Substitute Collateral Obligation, if any of the Portfolio Profile Tests or Collateral Quality Tests are not satisfied such tests will be maintained or improved after giving effect to such reinvestment; and

(g) with respect to the reinvestment of Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds (other than Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds from Credit Improved Obligations, Credit Risk Obligations, Defaulted Obligations and Exchanged Securities) either:

(i) the Aggregate Principal Balance of all Collateral Obligations shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance (calculated for this purpose on the basis that the Principal Balance of each Defaulted Obligation is its Market Value) immediately prior to the sale or repayment that generates such Sale Proceeds, Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds;

(ii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding each Collateral Obligation or part thereof being sold or repaid but including, without duplication, each Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such sale or repayment 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 its Market Value); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments) acquired with cash standing to the credit of such Accounts) is equal to or greater than the Reinvestment Target Par Balance; or

(iii) the Adjusted Collateral Principal Amount is maintained or increased,

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.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, Sale Proceeds from the sale of Credit Improved Obligations and Credit Risk Obligations and from 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, (ii) the amount of Sale Proceeds of such Credit Improved Obligations or (iii) the amount of Sale Proceeds of such Credit Risk Obligations, as the case may be;

(b) either: (I) each of the Portfolio Profile Tests and the Collateral Quality Tests (except the Moody's Minimum Diversity Test, the Weighted Average Life Test and the Moody's Weighted Average Rating Factor Test and paragraphs (k) and (l) of the Portfolio Profile Tests) are satisfied after giving effect to such reinvestment; or (II) if any such test was not satisfied immediately prior to such reinvestment, such test will be maintained or improved after giving effect to such reinvestment;

(c) each of the Coverage Tests are satisfied after giving effect to such reinvestment;

(d) the Weighted Average Life Test and the Moody's Weighted Average Rating Factor Test are satisfied immediately after giving effect to such reinvestment;

(e) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default has occurred that is continuing at the time of such purchase;

(f) 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;

(g) the Fitch Rating of each Substitute Collateral Obligation is the same as or higher than the Fitch Rating of the Collateral Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds;

(h) immediately after giving effect to the reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount consist of obligations which are Fitch CCC Obligations;

(i) immediately after giving effect to the reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount consist of obligations which are Moody's Caa Obligations;

(j) a Restricted Trading Period is not currently in effect.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Improved Obligations and Credit Risk 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 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 Improved Obligations and Credit Risk Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Priority of Payments for so long as they remain so designated for reinvestment but for no longer than the later of (a) 30 days following their receipt by the Issuer and (ii) the end of the following Due Period; provided that, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds or Unscheduled Principal Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the Priorities of Payments.

Amendments to 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,

provided that 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.

Interest Diversion Test

If, on any Determination Date on and after the Effective Date, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (U) (inclusive) of the Interest Priority of Payments, the Interest Diversion Test has not been satisfied, (x) during the Reinvestment Period, then on the related Payment Date, Interest Proceeds shall be paid to the Principal Account to be applied for the purpose of the acquisition of additional Collateral Obligations, and (y) following the Reinvestment Period, Interest Proceeds shall be applied in redemption of the Rated Notes in accordance with the Note Payment Sequence, in each case, in an amount equal to the lesser of (i) 50 per cent. of all remaining Interest Proceeds available for payment and (ii) the amount which, after giving effect to such payment, would be sufficient to cause the Interest Diversion Test to be satisfied.

Designation for Reinvestment

After the expiry of the Reinvestment Period, the Collateral Manager shall, one Business Day prior to each Determination Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Collateral Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of the Collateral Management and Administration Agreement as described above) shall remain designated for reinvestment in accordance with the Reinvestment Criteria, on or after the following Payment Date in which event such Principal Proceeds shall not constitute Principal Proceeds which are to be paid into the Payment Account and disbursed on such Payment Date in accordance with the Priorities of Payments.

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 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 and Administration Agreement and Condition 3(k) (*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

Subject to the final sentence hereof, 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.

Subject to the final sentence hereof, for the purpose of calculating compliance with the Reinvestment Criteria at the election of the Collateral Manager acting in its sole discretion, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Collateral Manager as such at the time (the "**Initial Trading Plan Calculation Date**") when compliance with the

Reinvestment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the 10 Business Days following the date of determination of such compliance (such period, the "**Trading Plan Period**"); provided that: (i) no Trading Plan may result in the purchase of Collateral Obligations having an Aggregate Principal Balance that exceeds 5 per cent. of the Collateral Principal Amount as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Payment Date; (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period, provided that no Trading Plan may result in the averaging of the purchase price of a Collateral Obligation or Collateral Obligations purchased at separate times for purposes of determining whether any particular Collateral Obligation is a Discount Obligation, and (iv) if the Reinvestment Criteria are satisfied prospectively after giving effect to a Trading Plan but are not satisfied upon the expiry of the relevant Trading Plan Period, the Reinvestment Criteria shall not at any time thereafter be evaluated by giving effect to a Trading Plan, unless Rating Agency Confirmation with respect to the immediately subsequent Trading Plan is received provided further that, after the Reinvestment Period the difference in the Average Lives of the Collateral Obligations forming the part of a Trading Plan may not exceed three years. No further Rating Agency Confirmation shall thereafter be required unless a Trading Plan subsequently fails, in which case Rating Agency Confirmation will be required with respect to the immediately subsequent Trading Plan. For the avoidance of doubt, when calculating compliance with the Reinvestment Criteria, where a particular criterion in the Reinvestment Criteria only applies to one or some, but not all, of the Collateral Obligations in a Trading Plan, (a) that criterion shall apply to the relevant Collateral Obligation(s) only, (b) only those Collateral Obligations shall be aggregated for the purpose of calculating compliance with that criterion and (c) the other Collateral Obligations in the Trading Plan shall not be taken into consideration for the purpose of calculating compliance with that criterion.

Eligible Investments

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may from time to time purchase Eligible Investments out of the Balances standing to the credit of the Accounts (other than the Counterparty Downgrade Collateral Accounts, the Collection 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.

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 and proceeds from additional issuances of Subordinated Notes pursuant to Condition 17(b) (*Additional Issuances*). Pursuant to Condition 3(k)(vi) (*Supplemental Reserve Account*), such Balance shall be comprised of all sums deposited therein from time to time which will comprise amounts which the Collateral Manager acting on behalf of the Issuer determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payments.

Collateral Enhancement Obligations may be sold at any time and all Collateral Enhancement Obligation Proceeds received by the Issuer shall be deposited into the Supplemental Reserve Account.

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

Exercise of Warrants and Options

The Collateral Manager acting on behalf of the Issuer may at any time exercise a warrant or option attached to a Collateral Obligation or comprised in a Collateral Enhancement Obligation and shall on behalf of the Issuer instruct the Account Bank to make any necessary payment pursuant to a duly completed form of instruction.

Margin Stock

The Collateral Management and Administration Agreement requires that the Collateral Manager, on behalf of the Issuer, shall use reasonable endeavours to sell any Collateral Obligation, Exchanged Security or Collateral Enhancement Obligation which is or at any time becomes Margin Stock as soon as practicable following such event.

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 and Administration Agreement) the Trustee shall be deemed to have released 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 and aggregate percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and

(b) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with Selling Institutions (or any guarantor thereof), each having the same credit rating (taking the lowest rating assigned thereto by any Rating Agency), will not exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating,

and for the purpose of determining the foregoing, account shall be taken of each sub participation from which the Issuer, directly or indirectly derives its interest in the relevant Collateral Obligation.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

(i) the LSTA Model Participation Agreement for par/near par trades (as published by the Loan Syndications and Trading Association Inc. from time to time); or

(ii) the LMA Funded Participation (Par) (as published by the Loan Market Association from time to time); or

(iii) such other documentation provided such agreement contains limited recourse and non-petition language substantially the same as that set out in the Trust Deed.

Assignments

The Collateral Manager acting on behalf of the Issuer may from time to time acquire Collateral Obligations from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired the Collateral Manager acting on behalf of the Issuer shall have complied, to the extent within their control, with any requirements relating to such Assignment set out in the relevant loan documentation for such Collateral Obligation (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

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

The following is the bivariate risk table (the "**Bivariate Risk Table**") and as referred to in "*Portfolio Profile Tests*" below and "*Participations*" above. For the purposes of the limits specified in the Bivariate Risk Table, the individual third party credit exposure limit shall be determined by reference to the Aggregate Principal Balance of all Participations (excluding any Defaulted Obligations) entered into by the Issuer with the same counterparty (such amount in respect of such entity, the "**Third Party Exposure**") and the applicable percentage limits shall be determined by reference to the lower of the Fitch or Moody's Ratings applicable to such counterparty and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Bivariate Risk Table

Long-Term Issuer Credit Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
Moody's		
Aaa	5%	5%
Aa1	5%	5%
Aa2	5%	5%
Aa3	5%	5%
A1	5%	5%
A2 and P-1	5%	5%
A3 or below	0%	0%
Fitch		
AAA	5%	5%
AA+	5%	5%
AA	5%	5%
AA-	5%	5%
A+	5%	5%
A	5%	5%
A- or below	0%	0%

* As a percentage of the Collateral Principal Amount (excluding any Defaulted Obligations) the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such Counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

1. 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 calculate the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

Substitute Collateral Obligations in respect of which a binding commitment has been made to purchase such Substitute Collateral Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests, the Interest Diversion Test and all other tests and criteria applicable to the Portfolio. Collateral Obligations in respect of which a binding commitment has been made to sell such Collateral Obligations, but such sale has not been settled, shall be deemed to have been sold for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests, the Interest Diversion Test and all other tests and criteria applicable to the Portfolio. See "*Reinvestment of Collateral Obligations*" above.

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests at any time shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

(a) not less than 90.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Obligations (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Obligations and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account, including Eligible Investments acquired with such Balances (excluding accrued interest thereon, in each case as at the relevant Measurement Date);

(b) not more than 50.0 per cent. of the Collateral Principal Amount shall consist of Secured Senior Notes;

(c) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds;

(d) (i) in the case of Secured Senior Obligations, not more than 2.5 per cent. of the Collateral Principal Amount shall be the obligation of any single Obligor, provided that not more than three Obligors may each represent up to 3.0 per cent. of the Collateral Principal Amount each and (ii) in the case of Collateral Obligations which are not Secured Senior Obligations, not more than 1.5 per cent. of the Collateral Principal Amount shall be the obligation of any single Obligor;

(e) not more than 20.0 per cent of the Collateral Principal Amount shall be comprised of the obligations of any 10 Obligors;

(f) not more than 20.0 per cent. of the Collateral Principal Amount shall consist of Non-Euro Obligations;

(g) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Participations;

(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 Annual Obligations;

(j) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations which represent Funded Amounts or Unfunded Amounts under Revolving Obligations or Unfunded Amounts under Delayed Drawdown Collateral Obligations;

(k) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of Fitch CCC Obligations;

(l) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of Moody's Caa Obligations;

(m) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Bridge Loans;

(n) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Corporate Rescue Loans provided that not more than 2.0% shall consist of Corporate Rescue Loans from a single Obligor;

(o) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are PIK Securities;

(p) not more than 15.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Fixed Rate Collateral Obligations;

(q) not more than 10.0 per cent. of the Collateral Principal Amount consist of obligations comprising any one Moody's industry classification provided that any four Moody's industry classifications may each comprise up to 12.0 per cent. of the Collateral Principal Amount and one Moody's industry classification may comprise up to 15.0 per cent. of the Collateral Principal Amount;

(r) not more than 20.0 per cent. of the Collateral Principal Amount consist of obligations comprising any one Fitch industry classification provided that any 3 Fitch industry classifications may comprise in aggregate up to 50.0 per cent. of the Collateral Principal Amount;

(s) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries or jurisdictions with a Fitch country ceiling below "AAA" by Fitch unless Rating Agency Confirmation from Fitch is obtained;

(t) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries with a Moody's local currency country risk ceiling rated below "Aa3" by Moody's provided that the Aggregate Principal Balance of Collateral Obligations of Obligors Domiciled in a Non-Emerging Market Country rated below "A3" by Moody's shall not be greater than 5.0% of the Collateral Principal Amount and provided further that the Aggregate Principal Balance of Collateral Obligations of Obligors Domiciled in a Non-Emerging Market Country rated below "Baa3" by Moody's shall not be greater than 0.0% of the Collateral Principal Amount;

(u) not more than 20.0 per cent. of the Collateral Principal Amount shall consist of Cov-Lite Loans;

(v) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations with a Moody's Rating which is derived from an S&P rating;

(w) not more than 20.0 per cent. of the Collateral Principal Amount shall consist of loans originated by the Collateral Manager, provided that for the purposes of this calculation (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 loans were originated by the Collateral Manager, shall in either case not be counted as originated by the Collateral Manager;

(x) not more than 0.0 per cent. of the Collateral Principal Amount shall consist of obligations in respect of which the initial total potential indebtedness at issuance (including (i) to the extent that a Collateral Obligation is a part of a security or credit facility, indebtedness of the entire security or credit facility of which such Collateral Obligation is part and (ii) the maximum available amount or total commitment under any revolving or delayed funding loans) of the relevant Obligor and/or its Affiliates under all respective loan agreements and other Underlying Instruments governing such Obligor's and/or its Affiliates' indebtedness has an aggregate principal amount (whether drawn or undrawn) of less than €50,000,000 (or its equivalent in any currency);

(y) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations in respect of which the initial total potential indebtedness at issuance (including (i) to the extent that a Collateral Obligation is a part of a security or credit facility, indebtedness of the entire

security or credit facility of which such Collateral Obligation is part and (ii) the maximum available amount or total commitment under any revolving or delayed funding loans) of the relevant Obligor and/or its Affiliates under all respective loan agreements and other Underlying Instruments governing such Obligor's and/or its Affiliates' indebtedness has an aggregate principal amount (whether drawn or undrawn) of equal to or more than €50,000,000 and less than €100,000,000 (or its equivalent in any currency);

(z) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations in respect of which the initial total potential indebtedness at issuance (including (i) to the extent that a Collateral Obligation is a part of a security or credit facility, indebtedness of the entire security or credit facility of which such Collateral Obligation is part and (ii) the maximum available amount or total commitment under any revolving or delayed funding loans) of the relevant Obligor and/or its Affiliates under all respective loan agreements and other Underlying Instruments governing such Obligor's and/or its Affiliates' indebtedness has an aggregate principal amount (whether drawn or undrawn) of less than €150,000,000 (or its equivalent in any currency);

(aa) the limits set forth in the Bivariate Risk Table determined by reference to the ratings of Selling Institutions shall be satisfied.

"**Annual Obligations**" means Collateral Obligations which, at the relevant date of Measurement, pay interest less frequently than semi-annually.

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. Obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to purchase but have not yet settled shall be included for the purposes of calculating the Portfolio Profile Tests and Collateral Obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to sell, but have not yet settled, shall be excluded as Collateral Obligations for the purposes of the Portfolio Profile Tests at any time as if such sale had been completed.

Collateral Quality Tests

The Collateral Quality Tests will consist of each of the following:

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

(i) the Moody's Minimum Diversity Test;

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

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

(iv) the Moody's Minimum Weighted Average Floating Spread Test; and

(v) the Moody's Minimum Weighted Average Coupon Test; and

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

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

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

(iii) the Fitch Minimum Weighted Average Spread Test; and

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

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

each as defined in the Collateral Management and Administration Agreement.

The Principal Balance of Defaulted Obligations shall be excluded for the purposes of calculating the Collateral Quality Tests.

Moody's Test Matrix

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix set out below (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, the Moody's Minimum Weighted Average Floating Spread Test and the Moody's Minimum Weighted Average Coupon Test. For any given case:

(1) 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;

(2) 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

(3) the applicable row for performing the Moody's Minimum Weighted Average Floating Spread Test and the Moody's Minimum Weighted Average Coupon 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 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, the Moody's Minimum Weighted Average Floating Spread Test and the Moody's Minimum Weighted Average Coupon 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. In no event will the Collateral Manager be obliged to elect to have a different case apply. The Moody's Test Matrix may be amended and/or supplemented and/or replaced by the Collateral Manager subject to Rating Agency Confirmation from Moody's.

		Minimum Diversity Score											
Moody's Minimum Weighted Average Coupon	**Moody's Minimum Weighted Average Floating Spread**	**30**	**32**	**34**	**35**	**36**	**38**	**40**	**42**	**44**	**46**	**48**	**50**
4.00%	**3.50%**	2410	2465	2495	2525	2540	2565	2595	2610	2625	2635	2645	2655
4.00%	**3.60%**	2445	2490	2520	2545	2575	2600	2630	2645	2665	2685	2705	2715
4.00%	**3.70%**	2480	2525	2555	2580	2610	2635	2665	2690	2710	2730	2740	2765
4.00%	**3.80%**	2510	2540	2585	2610	2625	2650	2700	2725	2745	2765	2785	2800
4.00%	**3.90%**	2520	2575	2620	2635	2660	2685	2735	2760	2780	2800	2820	2835
4.00%	**4.00%**	2550	2600	2640	2655	2685	2720	2770	2795	2815	2835	2855	2870
4.00%	**4.10%**	2585	2635	2665	2705	2710	2745	2770	2820	2840	2860	2875	2895
4.00%	**4.20%**	2610	2650	2695	2735	2725	2775	2800	2850	2870	2890	2910	2925
4.00%	**4.30%**	2635	2680	2715	2745	2760	2800	2825	2860	2905	2925	2940	2960
4.00%	**4.40%**	2655	2700	2735	2760	2790	2815	2855	2890	2910	2955	2975	2990
4.00%	**4.50%**	2685	2720	2770	2785	2825	2850	2900	2915	2945	2990	3010	3025
4.50%	**3.50%**	2440	2485	2515	2555	2570	2595	2620	2640	2660	2680	2700	2710
4.50%	**3.60%**	2475	2515	2550	2580	2605	2630	2650	2675	2695	2715	2735	2750
4.50%	**3.70%**	2495	2540	2585	2600	2640	2655	2700	2710	2730	2750	2770	2785
4.50%	**3.80%**	2525	2560	2615	2630	2660	2685	2735	2745	2765	2785	2805	2820
4.50%	**3.90%**	2535	2595	2640	2655	2680	2705	2755	2780	2800	2820	2840	2870
4.50%	**4.00%**	2565	2625	2670	2685	2700	2740	2780	2800	2845	2865	2885	2900
4.50%	**4.10%**	2595	2655	2690	2730	2720	2775	2795	2835	2855	2900	2915	2935
4.50%	**4.20%**	2615	2685	2720	2735	2750	2795	2830	2875	2885	2930	2950	2965
4.50%	**4.30%**	2665	2715	2755	2770	2785	2815	2850	2885	2905	2940	2980	3000
4.50%	**4.40%**	2670	2715	2775	2800	2815	2845	2895	2915	2960	2970	2990	3030
4.50%	**4.50%**	2700	2745	2805	2825	2835	2865	2925	2940	2985	2990	3035	3040
5.00%	**3.50%**	2475	2510	2540	2580	2590	2620	2645	2665	2685	2705	2725	2740
5.00%	**3.60%**	2495	2540	2575	2610	2625	2655	2675	2700	2720	2740	2760	2775
5.00%	**3.70%**	2520	2560	2610	2620	2660	2690	2710	2735	2755	2775	2795	2810
5.00%	**3.80%**	2535	2595	2640	2655	2665	2720	2745	2770	2790	2810	2830	2845

		Minimum Diversity Score											
Moody's Minimum Weighted Average Coupon	**Moody's Minimum Weighted Average Floating Spread**	**30**	**32**	**34**	**35**	**36**	**38**	**40**	**42**	**44**	**46**	**48**	**50**
5.00%	**3.90%**	2570	2620	2660	2675	2700	2755	2780	2805	2825	2845	2865	2880
5.00%	**4.00%**	2585	2650	2690	2710	2725	2765	2800	2825	2870	2900	2920	2925
5.00%	**4.10%**	2610	2685	2725	2740	2760	2800	2825	2875	2890	2910	2955	2960
5.00%	**4.20%**	2640	2710	2750	2775	2790	2815	2865	2880	2910	2940	2960	3005
5.00%	**4.30%**	2675	2725	2760	2800	2815	2850	2875	2915	2940	2960	2995	3015
5.00%	**4.40%**	2710	2755	2790	2805	2845	2870	2905	2930	2965	2990	3035	3055
5.00%	**4.50%**	2725	2785	2820	2845	2860	2895	2925	2970	3000	3020	3040	3060
5.50%	**3.50%**	2485	2520	2575	2590	2630	2655	2680	2705	2725	2745	2765	2780
5.50%	**3.60%**	2520	2550	2610	2625	2640	2690	2715	2740	2760	2780	2800	2815
5.50%	**3.70%**	2540	2585	2645	2660	2675	2700	2750	2775	2795	2815	2835	2850
5.50%	**3.80%**	2570	2620	2675	2690	2705	2730	2760	2810	2830	2850	2870	2885
5.50%	**3.90%**	2595	2640	2685	2700	2715	2765	2795	2820	2865	2885	2905	2920
5.50%	**4.00%**	2620	2675	2700	2735	2750	2785	2810	2870	2895	2915	2935	2950
5.50%	**4.10%**	2655	2695	2735	2760	2795	2810	2840	2880	2900	2950	2965	2985
5.50%	**4.20%**	2685	2730	2770	2785	2800	2840	2875	2910	2935	2980	3000	3015
5.50%	**4.30%**	2710	2755	2800	2820	2835	2860	2905	2930	2975	2990	3030	3050
5.50%	**4.40%**	2720	2765	2820	2840	2865	2890	2930	2950	2985	3020	3040	3080
5.50%	**4.50%**	2755	2795	2855	2875	2870	2925	2965	2990	3010	3055	3065	3085
6.00%	**3.50%**	2520	2555	2590	2630	2645	2670	2720	2740	2760	2780	2800	2815
6.00%	**3.60%**	2530	2590	2625	2640	2680	2705	2750	2775	2795	2815	2835	2850
6.00%	**3.70%**	2565	2600	2660	2675	2690	2740	2760	2785	2830	2850	2870	2885
6.00%	**3.80%**	2580	2630	2690	2705	2720	2770	2795	2820	2865	2885	2905	2920
6.00%	**3.90%**	2615	2665	2700	2740	2755	2780	2830	2855	2875	2920	2940	2955
6.00%	**4.00%**	2640	2695	2735	2755	2770	2810	2835	2880	2905	2950	2970	2985
6.00%	**4.10%**	2680	2705	2760	2775	2805	2830	2865	2915	2935	2960	2975	3020
6.00%	**4.20%**	2695	2740	2800	2795	2825	2860	2900	2920	2970	2990	3010	3050
6.00%	**4.30%**	2730	2775	2810	2830	2845	2885	2940	2955	3000	3025	3040	3060
6.00%	**4.40%**	2755	2795	2840	2860	2875	2915	2950	2995	3010	3055	3075	3090
6.00%	**4.50%**	2760	2825	2875	2895	2910	2945	2975	3025	3035	3080	3085	3130
6.50%	**3.50%**	2540	2575	2630	2645	2660	2710	2735	2755	2775	2795	2815	2830
6.50%	**3.60%**	2560	2605	2665	2680	2695	2720	2765	2790	2810	2830	2850	2865
6.50%	**3.70%**	2585	2640	2675	2715	2705	2755	2800	2825	2845	2865	2885	2900
6.50%	**3.80%**	2615	2660	2705	2720	2735	2785	2810	2860	2880	2900	2920	2935
6.50%	**3.90%**	2635	2685	2725	2755	2770	2820	2845	2870	2915	2935	2955	2970
6.50%	**4.00%**	2665	2710	2750	2770	2800	2835	2885	2895	2940	2960	2980	3000
6.50%	**4.10%**	2700	2745	2785	2800	2815	2860	2890	2940	2950	2995	3015	3035
6.50%	**4.20%**	2725	2770	2815	2835	2850	2900	2925	2945	2980	3000	3045	3065
6.50%	**4.30%**	2735	2800	2845	2860	2885	2910	2945	2995	3025	3035	3055	3100
6.50%	**4.40%**	2770	2830	2870	2890	2905	2940	2965	3000	3030	3075	3085	3105
6.50%	**4.50%**	2795	2840	2880	2925	2940	2970	3000	3040	3060	3105	3125	3130
7.00%	**3.50%**	2555	2615	2650	2665	2675	2725	2775	2795	2815	2835	2855	2870
7.00%	**3.60%**	2575	2625	2685	2695	2710	2760	2780	2830	2850	2870	2890	2905
7.00%	**3.70%**	2605	2660	2695	2730	2745	2795	2815	2840	2885	2905	2925	2940
7.00%	**3.80%**	2640	2690	2725	2740	2775	2800	2850	2875	2895	2940	2960	2975
7.00%	**3.90%**	2660	2710	2745	2775	2810	2835	2860	2910	2930	2950	2970	3010
7.00%	**4.00%**	2680	2725	2780	2795	2820	2850	2890	2935	2955	2975	3020	3040
7.00%	**4.10%**	2710	2760	2820	2815	2845	2875	2920	2945	2990	3010	3030	3050
7.00%	**4.20%**	2745	2795	2830	2850	2860	2905	2940	2985	3020	3040	3060	3080
7.00%	**4.30%**	2775	2815	2860	2880	2895	2950	2970	2995	3030	3075	3095	3115
7.00%	**4.40%**	2780	2845	2890	2910	2925	2955	3005	3025	3070	3080	3100	3145
7.00%	**4.50%**	2815	2880	2900	2940	2960	2990	3020	3060	3085	3105	3130	3175

Fitch Test Matrix

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix set out below (the "Fitch Test Matrix") shall be applicable for purposes of the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Fitch Minimum Weighted Average Spread Test and the Fitch Minimum Weighted Average Fixed Coupon 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 and column for performing the Fitch Minimum Weighted Average Spread Test and the Fitch Minimum Weighted Average Fixed Coupon 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

(3) the applicable row and column for performing the Fitch Minimum Weighted Average Recovery Rate Test will be the row and column (or linear interpolation between two adjacent rows and/or two adjacent columns, 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 ten Business Days' notice to the Issuer, the Collateral Administrator and Fitch, the Collateral Manager may elect to have a different case apply, provided that the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Fitch Minimum Weighted Average Spread Test and the Fitch Minimum Weighted Average Fixed Coupon Test applicable to the case to which the Collateral Manager desires to change are satisfied or, in the case of any tests that are not satisfied, are closer to being satisfied. The Fitch Test Matrix may be amended and/or supplemented and/or replaced by the Collateral Manager subject to Rating Agency Confirmation from Fitch.

		Fitch Maximum Weighted Average Rating Factor										
Fitch Minimum Weighted Average Fixed Coupon	**Fitch Minimum Weighted Average Spread**	**31.0**	**32.0**	**33.0**	**34.0**	**35.0**	**35.5**	**36.0**	**37.0**	**38.0**	**39.0**	**40.0**
4.00%	3.50%	68.70%	70.10%	71.70%	73.00%	74.20%	74.80%	75.30%	76.10%	77.90%	79.80%	80.90%
4.00%	3.60%	67.83%	69.23%	70.83%	72.09%	73.29%	73.82%	74.32%	74.97%	76.88%	79.12%	80.48%
4.00%	3.70%	66.96%	68.36%	69.96%	71.19%	72.39%	72.84%	73.34%	73.83%	75.86%	78.44%	80.07%
4.00%	3.80%	66.12%	67.41%	68.87%	70.11%	71.24%	71.67%	72.21%	72.50%	74.85%	77.68%	79.59%
4.00%	3.90%	65.14%	66.24%	67.37%	68.64%	69.71%	70.24%	70.84%	71.19%	73.88%	76.78%	78.95%
4.00%	4.00%	63.84%	64.91%	65.94%	67.21%	68.34%	69.01%	69.61%	70.48%	72.91%	75.92%	78.18%
4.00%	4.10%	62.61%	63.68%	64.75%	66.11%	67.11%	67.84%	68.26%	69.65%	71.81%	75.08%	77.28%
4.00%	4.20%	61.58%	62.75%	63.85%	65.01%	66.01%	66.58%	66.68%	69.02%	70.89%	74.15%	76.38%
4.00%	4.30%	60.54%	61.75%	63.08%	64.09%	65.12%	65.59%	65.72%	68.45%	70.25%	73.15%	75.55%
4.00%	4.40%	59.24%	60.64%	62.04%	63.45%	64.45%	65.02%	65.29%	67.68%	69.55%	72.18%	74.82%
4.00%	4.50%	58.22%	59.69%	61.13%	62.86%	63.62%	64.45%	65.03%	66.85%	68.85%	71.32%	74.09%
4.50%	3.50%	67.93%	69.33%	70.93%	72.20%	73.40%	73.93%	74.43%	75.10%	77.00%	79.20%	80.53%
4.50%	3.60%	67.06%	68.46%	70.06%	71.29%	72.49%	72.95%	73.45%	73.97%	75.98%	78.52%	80.12%
4.50%	3.70%	66.21%	67.54%	69.05%	70.27%	71.42%	71.85%	72.37%	72.70%	74.96%	77.79%	79.66%
4.50%	3.80%	65.29%	66.39%	67.55%	68.82%	69.87%	70.39%	70.99%	71.26%	73.99%	76.89%	79.04%
4.50%	3.90%	63.99%	65.07%	66.09%	67.34%	68.49%	69.14%	69.74%	70.59%	73.04%	76.01%	78.29%
4.50%	4.00%	62.74%	63.79%	64.86%	66.24%	67.24%	67.99%	68.48%	69.74%	71.94%	75.19%	77.39%
4.50%	4.10%	61.69%	62.86%	63.94%	65.14%	66.14%	66.72%	66.82%	69.08%	70.96%	74.26%	76.49%
4.50%	4.20%	60.69%	61.86%	63.19%	64.16%	65.18%	65.66%	65.78%	68.54%	70.34%	73.26%	75.64%
4.50%	4.30%	59.39%	60.79%	62.19%	63.54%	64.56%	65.08%	65.33%	67.79%	69.64%	72.29%	74.91%
4.50%	4.40%	58.28%	59.73%	61.15%	62.91%	63.68%	64.54%	65.05%	66.94%	68.94%	71.41%	74.16%
4.50%	4.50%	57.81%	59.41%	60.88%	62.48%	63.23%	63.91%	64.76%	66.24%	68.24%	70.64%	73.51%
5.00%	3.50%	67.17%	68.57%	70.17%	71.40%	72.60%	73.07%	73.57%	74.10%	76.10%	78.60%	80.17%
5.00%	3.60%	66.31%	67.67%	69.22%	70.44%	71.61%	72.02%	72.54%	72.90%	75.08%	77.89%	79.73%
5.00%	3.70%	65.45%	66.55%	67.72%	69.01%	70.04%	70.55%	71.15%	71.33%	74.09%	76.99%	79.12%
5.00%	3.80%	64.15%	65.24%	66.25%	67.47%	68.65%	69.27%	69.87%	70.69%	73.17%	76.11%	78.39%
5.00%	3.90%	62.87%	63.89%	64.98%	66.37%	67.37%	68.15%	68.69%	69.82%	72.07%	75.29%	77.49%
5.00%	4.00%	61.79%	62.98%	64.02%	65.27%	66.27%	66.86%	66.96%	69.14%	71.03%	74.38%	76.59%
5.00%	4.10%	60.85%	61.98%	63.29%	64.23%	65.24%	65.73%	65.84%	68.62%	70.42%	73.38%	75.72%
5.00%	4.20%	59.55%	60.95%	62.35%	63.62%	64.68%	65.14%	65.36%	67.89%	69.72%	72.39%	75.01%
5.00%	4.30%	58.34%	59.76%	61.18%	62.95%	63.74%	64.62%	65.08%	67.02%	69.02%	71.51%	74.23%
5.00%	4.40%	57.85%	59.45%	60.94%	62.54%	63.26%	63.95%	64.83%	66.32%	68.32%	70.72%	73.61%
5.00%	4.50%	57.41%	59.02%	60.44%	62.01%	62.93%	63.53%	64.26%	65.63%	67.63%	70.02%	72.81%
5.50%	3.50%	66.40%	67.80%	69.40%	70.60%	71.80%	72.20%	72.70%	73.10%	75.20%	78.00%	79.80%
5.50%	3.60%	65.60%	66.70%	67.90%	69.20%	70.20%	70.70%	71.30%	71.40%	74.20%	77.10%	79.20%
5.50%	3.70%	64.30%	65.40%	66.40%	67.60%	68.80%	69.40%	70.00%	70.80%	73.30%	76.20%	78.50%
5.50%	3.80%	63.00%	64.00%	65.10%	66.50%	67.50%	68.30%	68.90%	69.90%	72.20%	75.40%	77.60%
5.50%	3.90%	61.90%	63.10%	64.10%	65.40%	66.40%	67.00%	67.10%	69.20%	71.10%	74.50%	76.70%

		Fitch Maximum Weighted Average Rating Factor										
Fitch Minimum Weighted Average Fixed Coupon	**Fitch Minimum Weighted Average Spread**	**31.0**	**32.0**	**33.0**	**34.0**	**35.0**	**35.5**	**36.0**	**37.0**	**38.0**	**39.0**	**40.0**
5.50%	4.00%	61.00%	62.10%	63.40%	64.30%	65.30%	65.80%	65.90%	68.70%	70.50%	73.50%	75.80%
5.50%	4.10%	59.70%	61.10%	62.50%	63.70%	64.80%	65.20%	65.40%	68.00%	69.80%	72.50%	75.10%
5.50%	4.20%	58.40%	59.80%	61.20%	63.00%	63.80%	64.70%	65.10%	67.10%	69.10%	71.60%	74.30%
5.50%	4.30%	57.90%	59.50%	61.00%	62.60%	63.30%	64.00%	64.90%	66.40%	68.40%	70.80%	73.70%
5.50%	4.40%	57.50%	59.10%	60.50%	62.10%	63.00%	63.60%	64.30%	65.70%	67.70%	70.10%	72.90%
5.50%	4.50%	56.70%	58.40%	60.00%	61.30%	62.40%	63.00%	64.00%	65.10%	67.10%	69.40%	72.10%
6.00%	3.50%	65.69%	66.83%	68.08%	69.36%	70.39%	70.88%	71.46%	71.60%	74.32%	77.21%	79.27%
6.00%	3.60%	64.45%	65.55%	66.58%	67.79%	68.96%	69.55%	70.15%	70.87%	73.41%	76.31%	78.58%
6.00%	3.70%	63.15%	64.16%	65.25%	66.63%	67.65%	68.43%	69.03%	70.01%	72.33%	75.49%	77.71%
6.00%	3.80%	62.03%	63.21%	64.22%	65.53%	66.53%	67.15%	67.31%	69.28%	71.23%	74.61%	76.81%
6.00%	3.90%	61.11%	62.22%	63.48%	64.43%	65.43%	65.94%	66.04%	68.76%	70.57%	73.62%	75.91%
6.00%	4.00%	59.85%	61.22%	62.61%	63.77%	64.86%	65.27%	65.46%	68.08%	69.88%	72.62%	75.18%
6.00%	4.10%	58.55%	59.95%	61.35%	63.08%	63.92%	64.76%	65.14%	67.21%	69.18%	71.71%	74.39%
6.00%	4.20%	57.96%	59.54%	61.02%	62.65%	63.36%	64.08%	64.92%	66.48%	68.48%	70.89%	73.77%
6.00%	4.30%	57.55%	59.15%	60.56%	62.16%	63.04%	63.65%	64.37%	65.78%	67.78%	70.18%	72.99%
6.00%	4.40%	56.79%	58.48%	60.06%	61.39%	62.47%	63.07%	64.04%	65.17%	67.17%	69.48%	72.19%
6.00%	4.50%	55.77%	57.53%	59.20%	60.70%	61.63%	62.23%	63.23%	64.57%	66.23%	68.57%	71.17%
6.50%	3.50%	64.61%	65.71%	66.75%	67.98%	69.13%	69.71%	70.31%	70.94%	73.51%	76.41%	78.66%
6.50%	3.60%	63.31%	64.33%	65.41%	66.76%	67.81%	68.56%	69.16%	70.11%	72.46%	75.59%	77.81%
6.50%	3.70%	62.16%	63.31%	64.34%	65.66%	66.66%	67.31%	67.52%	69.36%	71.36%	74.71%	76.91%
6.50%	3.80%	61.21%	62.34%	63.56%	64.56%	65.56%	66.08%	66.18%	68.82%	70.64%	73.74%	76.01%
6.50%	3.90%	60.01%	61.34%	62.71%	63.84%	64.92%	65.34%	65.52%	68.16%	69.96%	72.74%	75.26%
6.50%	4.00%	58.71%	60.11%	61.51%	63.16%	64.04%	64.82%	65.17%	67.31%	69.26%	71.81%	74.49%
6.50%	4.10%	58.02%	59.57%	61.05%	62.69%	63.42%	64.16%	64.95%	66.56%	68.56%	70.99%	73.84%
6.50%	4.20%	57.59%	59.19%	60.62%	62.22%	63.07%	63.69%	64.44%	65.86%	67.86%	70.26%	73.09%
6.50%	4.30%	56.89%	58.56%	60.12%	61.49%	62.54%	63.14%	64.07%	65.24%	67.24%	69.56%	72.29%
6.50%	4.40%	55.89%	57.65%	59.31%	60.78%	61.74%	62.34%	63.34%	64.64%	66.35%	68.68%	71.29%
6.50%	4.50%	54.83%	56.67%	58.40%	60.10%	60.87%	61.47%	62.47%	64.03%	65.37%	67.73%	70.23%
7.00%	3.50%	63.46%	64.49%	65.56%	66.89%	67.96%	68.69%	69.29%	70.22%	72.59%	75.68%	77.92%
7.00%	3.60%	62.29%	63.42%	64.45%	65.79%	66.79%	67.46%	67.74%	69.45%	71.49%	74.82%	77.02%
7.00%	3.70%	61.32%	62.45%	63.65%	64.69%	65.69%	66.22%	66.32%	68.88%	70.71%	73.85%	76.12%
7.00%	3.80%	60.16%	61.45%	62.82%	63.91%	64.98%	65.41%	65.58%	68.25%	70.05%	72.85%	75.35%
7.00%	3.90%	59.10%	60.50%	61.66%	63.25%	64.15%	64.88%	65.21%	67.42%	69.35%	71.92%	74.58%
7.00%	4.00%	58.40%	59.70%	61.07%	62.74%	63.48%	64.25%	64.97%	66.65%	68.65%	71.08%	73.91%
7.00%	4.10%	57.64%	59.24%	60.68%	62.28%	63.11%	63.74%	64.51%	65.95%	67.95%	70.35%	73.18%
7.00%	4.20%	56.98%	58.65%	60.18%	61.58%	62.61%	63.21%	64.11%	65.31%	67.31%	69.65%	72.38%
7.00%	4.30%	56.02%	57.76%	59.41%	60.86%	61.84%	62.44%	63.44%	64.71%	66.46%	68.79%	71.42%
7.00%	4.40%	54.96%	56.78%	58.51%	60.30%	60.97%	61.57%	62.57%	64.10%	65.48%	67.84%	70.36%
7.00%	4.50%	53.90%	55.80%	57.60%	59.50%	60.10%	60.70%	61.70%	63.50%	64.50%	66.90%	69.30%

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) an "**Obligor Principal Balance**" is calculated for each Obligor represented in the Collateral Obligations by summing the Principal Balances of all Collateral Obligations (excluding Defaulted Obligations) issued by such Obligor, provided that if a Collateral Obligation has been sold or is the subject of an optional redemption or Offer, and the Sale Proceeds or Unscheduled Principal Proceeds from such event have not yet been reinvested in Substitute Collateral Obligations or distributed to the Holders or the other creditors of the Issuer in accordance with the Priorities of Payments, the Obligor Principal Balance shall be calculated as if such Collateral Obligation had not been sold or was not subject to such an optional redemption or Offer;

(c) an "**Equivalent Unit Score**" is calculated for each Obligor by taking the lesser of (i) one and (ii) the Obligor Principal Balance for such Obligor divided by the Average Principal Balance;

(d) an "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of the 35 Moody's industrial classification groups by summing the Equivalent Unit Scores for each Obligor in the industry (or such other industrial classification groups and Equivalent Unit Scores as are published by Moody's from time to time); and

(e) an "**Industry Diversity Score**" is then established by reference to the Diversity Score Table shown below (or such other Diversity Score Table as is published by Moody's from time to time) (the "**Diversity Score Table**") for the related Aggregate Industry Equivalent Unit Score. If the Aggregate Industry Equivalent Unit Score falls between any two such scores shown in the Diversity Score Table, then the Industry Diversity Score is the lower of the two Diversity Scores in the Diversity Score Table.

For purposes of calculating the Diversity Scores any Obligors Affiliated with one another will be considered to be one Obligor.

Diversity Score Table

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.0000	0.0000	5.0500	2.7000	10.1500	4.0200	15.2500	4.5300
0.0500	0.1000	5.1500	2.7333	10.2500	4.0300	15.3500	4.5400
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000
0.7500	0.8000	5.8500	2.9667	10.9500	4.1000	16.0500	4.6100

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.8500	0.9000	5.9500	3.0000	11.0500	4.1100	16.1500	4.6200
0.9500	1.0000	6.0500	3.0250	11.1500	4.1200	16.2500	4.6300
1.0500	1.0500	6.1500	3.0500	11.2500	4.1300	16.3500	4.6400
1.1500	1.1000	6.2500	3.0750	11.3500	4.1400	16.4500	4.6500
1.2500	1.1500	6.3500	3.1000	11.4500	4.1500	16.5500	4.6600
1.3500	1.2000	6.4500	3.1250	11.5500	4.1600	16.6500	4.6700
1.4500	1.2500	6.5500	3.1500	11.6500	4.1700	16.7500	4.6800
1.5500	1.3000	6.6500	3.1750	11.7500	4.1800	16.8500	4.6900
1.6500	1.3500	6.7500	3.2000	11.8500	4.1900	16.9500	4.7000
1.7500	1.4000	6.8500	3.2250	11.9500	4.2000	17.0500	4.7100
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

The Moody's Maximum Weighted Average Rating Factor Test

The "**Moody's Maximum Weighted Average Rating Factor Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Adjusted Weighted Average Moody's Rating Factor 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 3700.

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
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) 39.8; and

(ii) (A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test, 70 and (B) with respect to the adjustment of the Moody's Minimum Weighted Average Floating Spread Test, 0.10 per cent., provided that if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60 per cent., then such Weighted Average Moody's Recovery Rate shall equal 60 per cent. unless Rating Agency Confirmation is obtained;

provided further that the amount specified in clause (b)(i) above may only be allocated once on any Measurement Date and the Collateral Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(ii)(A) and the portion of such amount that shall be allocated to clause (b)(ii)(B) (it being understood that, absent an express designation by the Collateral Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

"**Adjusted Weighted Average Moody's Rating Factor**" means, as of any Measurement Date, a number equal to the Moody's Weighted Average Rating Factor determined in the following manner: 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 39.8 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 Loan, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Moody's Secured Senior Loans	Secured Senior Notes; Second Lien Loans; Mezzanine Obligations*	All other Collateral Obligations
+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%

* If such Collateral Obligation is publicly rated by Moody's and does not have both a CFR and an Assigned Moody's Rating, such Collateral Obligation will be deemed to be an Unsecured Senior Obligation or High Yield Bond for purposes of this table.

(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 per cent.

The Fitch Maximum Weighted Average Rating Factor Test

"**Fitch Maximum Weighted Average Rating Factor Test**" will be satisfied, on any Measurement Date from (and including) the Effective Date, if the Fitch Weighted Average Rating Factor as at such date is less than or equal to the applicable level in the Fitch Test Matrix.

"**Fitch Weighted Average Rating Factor**" is the number determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Obligations and rounding the result to the nearest two decimal places.

"**Fitch Rating Factor**" means, in respect of any Collateral Obligation, the number set forth in the table below adjacent to the Fitch Rating in respect of such Collateral Obligation. The following table provides certain probabilities of default relating to Fitch Rating Factors. The information is subject to change and any probabilities of default in respect of Fitch Rating Factors may not at any time necessarily reflect the below table.

Fitch Rating	Fitch Rating Factor
AAA	0.19
AA+	0.35
AA	0.64
AA-	0.86
A+	1.17
A	1.58
A-	2.25
BBB+	3.19
BBB	4.54
BBB-	7.13
BB+	12.19
BB	17.43
BB-	22.80
B+	27.80
B	32.18
B-	40.60
CCC+	62.80

Fitch Rating	Fitch Rating Factor
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**" will be satisfied in respect of the Notes on any Measurement Date from (and including) the Effective Date, if the Fitch Weighted Average Recovery Rate is greater than or equal to the applicable level in the Fitch Test Matrix.

"**Fitch Weighted Average Recovery Rate**" means, as of any Measurement Date, the rate (expressed as a percentage) determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Collateral Obligations and rounding to the nearest 0.1 per cent.

"**Fitch Recovery Rate**" means, with respect to a Collateral Obligation, the recovery rate determined in accordance with paragraphs (i) to (iii) below or (in any case) such other recovery rate as Fitch may notify the Collateral Manager from time to time:

(i) if such Collateral Obligation has a public Fitch recovery rating, or a recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager, the recovery rate corresponding to such recovery rating in the table below (unless an obligation's specific recovery rate (expressed as a percentage) is provided by Fitch in which case such recovery rate is used):

Fitch recovery rating	Fitch recovery rate (%)
RR1	95
RR2	80
RR3	60
RR4	40
RR5	20
RR6	5

(ii) if such Collateral Obligation (A) has no public Fitch recovery rating, (B) neither a recovery rating nor an obligation's specific recovery rate is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager and (C) 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

(iii) if such Collateral Obligation (A) has no public Fitch recovery rating, (B) neither a recovery rating nor an obligation's specific recovery rate is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager and (C) has no public S&P recovery rating, (x) if such Collateral Obligation is a Secured Senior Note, the recovery rate applicable to such Secured Senior Note shall be the recovery rate corresponding to the Fitch recovery rating of "RR3" in the table set forth under (i) 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 Obligation and otherwise "Weak Recovery", and shall fall into the country group corresponding to the country in which the Obligor thereof is Domiciled:

United States	Group A	Group B	Group C	Group D

	United States	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 it is Domiciled, in accordance with the below:

Group A: Australia, Austria, Bahamas, Bermuda, Canada, Cayman Islands, Denmark, Finland, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Japan, Jersey, Liechtenstein, Netherlands, New Zealand, Norway, Singapore, South Korea, Sweden, Switzerland, Taiwan, the UK.

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 Fitch Minimum Weighted Average Spread Test

The "**Fitch Minimum Weighted Average Spread Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date, the Weighted Average Floating Spread plus the Excess Weighted Average Coupon equals or exceeds the Fitch Minimum Weighted Average Spread, in each case as at such Measurement Date.

"**Fitch Minimum Weighted Average Spread**" means the weighted average spread (expressed as a percentage) applicable to the current Fitch Test Matrix.

The Fitch Minimum Weighted Average Fixed Coupon Test

The "**Fitch Minimum Weighted Average Fixed Coupon Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date, the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Fitch Minimum Weighted Average Fixed Coupon, in each case, as at such Measurement Date.

"**Fitch Minimum Weighted Average Fixed Coupon**" means the weighted average fixed coupon applicable to the current Fitch Tests Matrix.

The Moody's Minimum Weighted Average Floating Spread Test

The "**Moody's Minimum Weighted Average Floating Spread Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date the Weighted Average Floating Spread plus the Excess Weighted Average Coupon equals or exceeds the Moody's Minimum Weighted Average Floating Spread, in each case as at such Measurement Date.

The "**Moody's Minimum Weighted Average Floating Spread**", as of any Measurement Date, will equal the percentage set forth in the Moody's Test Matrix based upon the option chosen by the Collateral Manager as currently applicable to the Portfolio reduced by the Moody's Weighted Average Recovery Adjustment, provided such reduction may not reduce the Moody's Minimum Weighted Average Floating Spread below 3.50 per cent.

Moody's Minimum Weighted Average Coupon Test.

The "**Moody's Minimum Weighted Average Coupon Test**" will be satisfied on any Measurement Date if the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Moody's Minimum Weighted Average Coupon.

The "**Moody's Minimum Weighted Average Coupon**" means as of any Measurement Date, will equal the percentage set forth in the Moody's Test Matrix based upon the option chosen by the Collateral Manager (interpolating between two adjacent rows and/or two adjacent columns, as applicable) as currently applicable to the Portfolio.

The Weighted Average Life Test

The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life of all Collateral Obligations 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 25 October 2023.

"**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 multiplying:

(a) the Average Life at such time of each such Collateral Obligation by (b) the Principal Balance of such Collateral Obligation and dividing such sum by:

(b) the Aggregate Principal Balance at such time of all Collateral Obligations other than Defaulted Obligations.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such Measurement Date to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation.

Notwithstanding the above, the Average Life in respect of any Collateral Obligation that may have been prepaid prior to the expiry of the Reinvestment Period, the Principal Proceeds of which have not yet been reinvested in the purchase of Substitute Collateral Obligations shall be the Average Life of such Collateral Obligation immediately prior to its prepayment.

2. Collateral Quality Tests Definitions

The "**Aggregate Coupon**" means, 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, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, the product of (x) the stated fixed rate payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction and (y) the Principal Balance of such Non-Euro Obligation;

(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, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, an amount equal to the Euro equivalent of the product of (x) stated coupon on such Collateral Obligation expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation; and

(c) with respect to all other Fixed Rate Collateral Obligations and excluding Defaulted Obligations, Deferring Securities 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 Collateral

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 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; and

(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.

The "**Aggregate Funded Spread**" means, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Collateral Obligation (including only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Obligation above EURIBOR **multiplied by** (ii) the Principal Balance of such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation);

(b) in the case of each Floating Rate Collateral Obligation (including only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) that bears interest at a spread over an index other than EURIBOR, (i) the excess of the sum of such spread and such index over the EURIBOR rate that has an equivalent frequency and setting date to the corresponding interest rate in respect of such Floating Rate Collateral Obligation as of the immediately preceding interest determination date pursuant to the relevant Underlying Instrument (which spread or excess may be expressed as a negative percentage) **multiplied by** (ii) the Principal Balance of each such Collateral 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, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) and subject to a Currency Hedge Transaction, (i) the stated interest rate spread over EURIBOR (in respect of the applicable Hedge Agreement) payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction **multiplied by** (ii) the Principal Balance of such Non-Euro Obligation;

(d) in the case of each Floating Rate Collateral Obligation which is a Non-Euro Obligation (including, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) and which is not subject to a Currency Hedge Transaction, (i) the interest amount payable by the relevant Obligor converted to Euro at the Spot Rate, less (ii) the product of (x) EURIBOR **multiplied by** (y) the Principal Balance of such Non-Euro Obligation,

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) if a Floating Rate Collateral Obligation is subject to a floor, for the purposes of calculating the Aggregate Funded Spread, the spread shall include, if positive: (x) the EURIBOR (or such other floating rate of interest) floor value minus (y) EURIBOR (or such other floating rate of interest) applicable in respect of such Floating Rate Collateral Obligation on such Measurement Date (provided that to the extent the floor is in respect of a Non-Euro Obligation and the floor is not included in the payments made by the Hedge Counterparty to the Issuer, for the purposes of paragraph (c) above, the additional interest amount in respect of such additional margin shall be determined by applying the Spot Rate);

The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by **multiplying** (i) for each Delayed Drawdown Collateral Obligation and Revolving Obligation (other than Defaulted Obligations and Deferring Securities), the related commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Collateral Obligation and Revolving Obligation as of such date.

The "**Excess Weighted Average Coupon**" means a percentage equal as of any Measurement Date to a number obtained by **multiplying** (a) the excess, if any, of the Weighted Average Coupon over the Moody's Minimum Weighted Average Coupon or the Fitch Minimum Weighted Average Fixed Coupon, as the case may be, **by** (b) the number obtained by **dividing** the Aggregate Principal Balance of all Fixed Rate Collateral Obligations **by** the Aggregate Principal Balance of all Floating Rate Collateral Obligations (calculated in accordance with the proviso below).

"**Excess Weighted Average Floating Spread**" means a percentage equal as of any Measurement Date to a number obtained by **multiplying** (a) the excess, if any, of the Weighted Average Floating Spread over the Moody's' Minimum Weighted Average Floating Spread or the Fitch Minimum Weighted Average Spread, as the case may be, **by** (b) the number obtained by **dividing** the Aggregate Principal Balance of all Floating Rate Collateral Obligations **by** the Aggregate Principal Balance of all Fixed Rate Collateral Obligations calculated in accordance with the proviso below.

Provided that for the purposes of calculating the Excess Weighted Average Coupon and the Excess Weighted Average Floating Spread:

(a) 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;

(b) 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; and

(c) if a Floating Rate Collateral Obligation is subject to a floor, the spread shall include, if positive: (x) the EURIBOR (or such other floating rate of interest) floor value minus (y) EURIBOR (or such other floating rate of interest) applicable in respect of such Floating Rate Collateral Obligation on such Measurement Date (provided that to the extent the floor is in respect of a Non-Euro Obligation and the floor is not included in the payments made by the Hedge Counterparty to the Issuer, for the purposes of paragraph (c) above, the additional

interest amount in respect of such additional margin shall be determined by applying the Spot Rate).

The "**Weighted Average Coupon**", as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to the Aggregate Coupon; **by**

(b) an amount equal to the Aggregate Principal Balance of all Fixed Rate Collateral Obligations as of such Measurement Date,

in each case, (i) excluding, for any Mezzanine Obligation, any interest that has been deferred and capitalised thereon and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, and (ii) reduced in respect of any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty.

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; **by**

(b) an amount equal to the lesser of (A) the product of (i) the Reinvestment Target Par Balance and (ii) a fraction, the numerator of which is equal to the Aggregate Principal Balance of all Floating Rate Collateral Obligations as of such Measurement Date (in each case, excluding, Defaulted Obligations and for any Deferring Security any interest that has been deferred and capitalised thereon), and the denominator of which is equal to the Aggregate Principal Balance of all Collateral Obligations as of such Measurement Date (in each case, excluding, Defaulted Obligations and for any Deferring Security, any interest that has been deferred and capitalised thereon), and (B) the Aggregate Principal Balance of all Floating Rate Collateral Obligations as of such Measurement Date (in each case, excluding, Defaulted Obligations and for any Deferring Security, any interest that has been deferred and capitalised thereon), in each case reduced in respect of any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty.

3. Rating Definitions

Moody's Ratings Definitions

"**Assigned Moody's Rating**" means the monitored publicly available rating or the unpublished monitored loan rating or the credit estimate expressly assigned to a debt obligation (or facility) by Moody's.

"**CFR**" means, with respect to an Obligor of a Collateral Obligation, if such Obligor has a corporate family rating by Moody's, then such corporate family rating; provided, if such Obligor does not have a corporate family rating by Moody's but any entity in the Obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

"**Moody's Default Probability Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if the Obligor of such Collateral Obligation has a CFR by Moody's, then such CFR;

(b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on such obligation as selected by the Collateral Manager in its sole discretion;

(c) if not determined pursuant to clauses (a) or (b) above, or if the Obligor of such Collateral Obligation has one or more senior secured obligations with an Assigned Moody's Rating, then

the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured obligation as selected by the Collateral Manager in its sole discretion;

(d) if not determined pursuant to clauses (a), (b) or (c) above, if a credit estimate has been assigned to such Collateral Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an Affiliate of the Collateral Manager, then the Moody's Default Probability Rating is such credit estimate;

(e) if not determined pursuant to clauses (a), (b), (c) or (d) above, the Moody's Derived Rating; and

(f) if not determined pursuant to clauses (a), (b), (c), (d) or (e) above, the Collateral Obligation will be deemed to have a Moody's Default Probability Rating of "Caa3".

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated, respectively, as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**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), (c) or (d) of the respective definitions thereof, the Moody's Derived Rating for purposes of clause (e) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) shall be determined as set forth below:

(a) with respect to any Corporate Rescue Loan, one subcategory below the facility rating (whether public or private) of such Corporate Rescue Loan rated by Moody's;

(b) if not determined pursuant to 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 Finance Obligation	≤BB+	Loan or Participation in Loan	-2
Not Structured Finance Obligation	≥BBB-	Loan or Participation in Loan	-1

(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 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 (c) 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 or S&P and no other security or obligation of the issuer of such Collateral Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Obligation to assign a rating or rating estimate with respect to such Collateral Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating for purposes of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Obligation shall be (x) "B3" if the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate will be at least "B3" and if the aggregate principal balance of Collateral Obligations determined pursuant to this clause (f) does not exceed 5 per cent. of the Collateral Principal Amount of all Collateral Obligations or (y) otherwise, "Caa3".

For purposes of calculating a Moody's Derived Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated, respectively, as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Moody's Rating**" means:

(a) with respect to a Collateral Obligation that is a Secured Senior Loan or a Secured Senior Note:

(i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;

(iii) if neither clause (i) nor (ii) above apply, if the Obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iv) if none of clauses (i) through (iii) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(v) if none of clauses (i) through (iv) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3"; and

(b) with respect to a Collateral Obligation other than a Secured Senior Loan or a Secured Senior Note:

(i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation has one or more senior unsecured obligations with an

Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;

(iv) if none of clauses (i), (ii) or (iii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(v) if none of clauses (i) through (iv) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(vi) if none of clauses (i) through (v) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3".

For purposes of calculating a Moody's Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Moody's 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 or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained);

(ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the Obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; provided that any loan that would be considered a 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); and

(b) 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.

Fitch Ratings Definitions

The "**Fitch Rating**" of any Collateral Obligation will be determined in accordance with the below methodology (with the sub-paragraph earliest in this definition applying in the case where more than one sub-paragraph would otherwise be applicable):

(a) with respect to any Collateral Obligation in respect of which there is a Fitch issuer default rating 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;

(ii) otherwise the Issuer or the Collateral Manager on behalf of the Issuer shall apply to Fitch for an issue-level credit assessment provided that, pending receipt from Fitch of any issue-level credit assessment, the applicable Corporate Rescue Loan shall either be deemed to have a Fitch Rating of "B-", subject to the Collateral Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment.

For the purposes of determining the Fitch Rating, the following definitions shall apply, provided always that:

(i) if a debt security or obligation of the Obligor has been in default during the past two years, the Fitch Rating of such Collateral Obligation shall be treated as "D"; and

(ii) with respect to any Current Pay Obligation that is rated "D" or "RD", the Fitch Rating of such Current Pay Obligation will be "CCC",

and **provided further** that

(x) if the applicable Collateral Obligation has been put on rating watch negative or negative credit watch for possible downgrade by:

(A) Fitch, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by Fitch;

(B) Moody's, then in the case only where the Fitch Rating is derived from a rating assigned by Moody's then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating determined pursuant to paragraphs (a) to (h) above; or

(C) S&P, then in the case only where the Fitch Rating is derived from a rating assigned by S&P then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating determined pursuant to paragraphs (a) to (h) above; and(y) notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Collateral Obligations at any time.

"**Fitch IDR Equivalent**" means, in respect of any rating described in the Fitch Rating Mapping Table, the equivalent Fitch Issuer Default Rating determined by increasing (or reducing, in the case of a negative number) such rating (or the nearest Fitch equivalent thereof) by the number of notches specified under "Mapping Rule" in the fourth column of the Fitch Rating Mapping Table.

"**Fitch Rating Mapping Table**" means the following table:

Rating Type	Applicable Rating Agency(ies)	Issue rating	Mapping Rule
Corporate family rating or long term issuer rating	Moody's	n/a	+0
Issuer credit rating	S&P	n/a	+0
Senior unsecured	Fitch, Moody's or S&P	Any	+0
Senior secured or subordinated	Fitch or S&P	"BBB-" or above	+0
Senior secured or subordinated	Fitch or S&P	"BB+" or below	-1
Senior secured or subordinated	Moody's	"Ba1" or above	-1
Senior secured or subordinated	Moody's	"Ba2" or below, but at or above "Ca"	-2
Senior secured or subordinated	Moody'	"Ca"	-1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B+" / "B1" or above	+1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B" / "B2" or below	+2

"**Insurance Financial Strength Rating**" means, in respect of a Collateral Obligation, the lower of any applicable public insurance financial strength rating by S&P or Moody's in respect thereof.

"**Moody's CFR**" means, in respect of a Collateral Obligation, a publicly available corporate family rating by Moody's in respect of the Obligor thereof.

"**Moody's Long Term Issuer Rating**" means, in respect of a Collateral Obligation, a publicly available long term issuer rating by Moody's in respect of the Obligor thereof.

"**Moody's/S&P Corporate Issue Rating**" means, in respect of a Collateral Obligation, the lower of the Fitch IDR Equivalent ratings, determined in accordance with the Fitch Rating Mapping Table, corresponding to any outstanding publicly available issue rating by Moody's and/or S&P in respect of any other obligation of the Obligor or any of its Affiliates.

"**S&P 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.

"**S&P Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating assigned to such Collateral Obligation by S&P.

4. The Coverage Tests

The Coverage Tests will consist of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test, the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test. The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, whether Principal Proceeds may be reinvested in Substitute Collateral Obligations, or whether Interest Proceeds and, to the extent needed, Principal Proceeds, in the event of failure to satisfy the Class A/B Coverage Tests, must instead be used to pay principal on the Class A Notes and, after redemption in full thereof, to pay principal on the Class B Notes, to the extent necessary to cause the Class A/B Coverage Tests to be satisfied if recalculated immediately following such redemption; or, in the event of failure to satisfy the Class C Coverage Tests, to pay principal on the Class A Notes and, after redemption in full thereof, principal on the Class B Notes and, after redemption in full thereof, principal on the Class C Notes to the extent necessary to cause the Class C Coverage Tests to be satisfied if recalculated immediately following such redemption; or, in the event of failure to satisfy the Class D Coverage Tests, to pay principal on the Class A Notes and, after redemption in full thereof, principal on the Class B Notes and, after redemption in full thereof, principal on the Class C Notes and, after redemption in full thereof, principal on the Class D Notes, to the extent necessary to cause the Class D Coverage Tests to be satisfied if recalculated immediately following such redemption; or, in the event of failure of the Class E Coverage Tests, to pay principal on the Class A Notes and, after redemption in full thereof, principal on the Class B Notes and, after redemption in full thereof, principal on the Class C Notes and, after redemption in full thereof, principal on the Class D Notes and, after redemption in full thereof, principal on the Class E Notes to the extent necessary to cause the Class E Par Value Tests to be satisfied if recalculated immediately following such redemption.

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 and the Class E Interest Coverage Test shall apply on a Measurement Date (i) on and after the Effective Date in respect of the Par Value Tests and (ii) on and after the Determination Date immediately preceding the second Payment Date in the case of the Interest Coverage Test and shall be satisfied on a Measurement Date if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Coverage Test and Ratio	Percentage at Which Test is Satisfied
Class A/B Par Value	132.0%
Class A/B Interest Coverage	120.0%
Class C Par Value	124.3%
Class C Interest Coverage	110.0%
Class D Par Value	117.0%
Class D Interest Coverage	105.0%
Class E Par Value	107.7%
Class E Interest Coverage	101.0%

5. The Interest Diversion Test

If the Interest Diversion Test is not satisfied as of any Determination Date on and after the Effective Date, (x) 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, and (y) following the Reinvestment Period, Interest Proceeds shall be applied in redemption of the Rated Notes in accordance with the Note Payment Sequence, in each case, in an amount equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (V) of the Interest Priority of Payments and (2) the amount which, after giving effect to such payment, would be sufficient to cause the Interest Diversion Test to be satisfied as of such Payment Date after giving effect to any payments made pursuant to paragraph (V) of the Interest Priority of Payments.

	Percentage at Which Test Is Satisfied
Interest Diversion Test	105.0%

DESCRIPTION OF THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT AND THE RETENTION UNDERTAKING LETTER

The following description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter consists of a summary of certain provisions of the Collateral Management and Administration Agreement and the Retention Undertaking Letter which does not purport to be complete and is qualified by reference to the detailed provisions of such documents. Capitalised terms used in this section and not defined in this Offering Circular shall have the meaning given to them in the Collateral Management and Administration Agreement or the Retention Undertaking Letter, as applicable.

Collateral Management and Administration Agreement

General

The Issuer has appointed the Collateral Manager to provide certain investment management functions pursuant to the Collateral Management and Administration Agreement and to perform certain administrative and advisory functions on behalf of the Issuer in accordance with the applicable provisions of the Collateral Management and Administration Agreement. The Issuer has, in the Collateral Management and Administration Agreement, delegated to the Collateral Manager the discretion to select and manage the Portfolio. Pursuant to the Collateral Management and Administration Agreement, the Issuer shall delegate authority to the Collateral Manager to carry out certain of its functions in relation to the Portfolio without the requirement for specific approval by the Issuer.

Duties of the Collateral Manager

Pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Manager will be responsible for the management of the Collateral Obligations, including, without limitation, evaluating, selecting and monitoring the Collateral Obligations, acquiring and selling Collateral Obligations, exercising voting or other rights with respect to the Collateral Obligations, attending meetings and otherwise representing the interests of the Issuer in connection with the management of the Collateral Obligations, providing notices to and requesting, directing, disputing and approving action on the part of the Issuer and certain related functions. In addition, pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Manager will be required to assist the Issuer with respect to any Hedge Agreements (to the extent any such agreement is entered into by the Issuer).

Pursuant to the terms of the Collateral Management and Administration Agreement and the Trust Deed, the Collateral Manager will be required to perform its obligations (including in respect of any exercise of discretion) with reasonable care and in good faith, and shall use its professional judgment and all commercially reasonable efforts in rendering its services as Collateral Manager, (i) using a degree of skill and attention no less than that which the Collateral Manager or its Affiliates exercise with respect to comparable assets that they manage for themselves and others and (ii) in accordance with their existing practices and procedures and in a manner reasonably consistent with practices and procedures followed by reasonable and prudent institutional managers of assets of the nature and character of the Portfolio, except as expressly provided otherwise in the Transaction Documents. To the extent consistent with the foregoing, the Collateral Manager may follow its customary standards, policies and procedures in performing its duties under the Transaction Documents; provided that the Collateral Manager will not be liable to the Issuer, the Trustee, the Noteholders or any other Person for any losses or damages resulting from any failure to satisfy the foregoing standard of care except for any losses incurred as a result of (A) acts or omissions constituting fraud, wilful misconduct or negligence in the performance of the duties of the Collateral Manager under the Collateral Management and Administration Agreement or (B) the Collateral Manager Information containing any untrue statement or alleged untrue statement of material fact, which makes statements therein, in the light of the circumstances under which they were made, misleading or (C) the Collateral Manager Information omitting to state a material fact or alleged omission to state a material fact, which makes statements therein, in the light of the circumstances under which they were made, misleading (collectively, a "**Collateral Manager Breach**"). The Issuer will indemnify the Collateral Manager against liabilities incurred in performing its duties thereunder; provided that the Issuer will not indemnify the Collateral Manager for any liabilities incurred as a result of any Collateral Manager Breach. The Collateral Manager shall, subject to the provisions of the Collateral Management and Administration Agreement, indemnify and hold harmless the Issuer (for itself and its Affiliates and its Directors or officers) and the Trustee in the manner set out in the Collateral Management and Administration Agreement.

Pursuant to the terms of the Collateral Management and Administration Agreement, the Issuer will be required to prepare certain reports with respect to the Collateral Obligations. The Collateral Administrator will assist the Issuer and the Collateral Manager in compiling these reports. The Collateral Manager will agree in the Collateral Management and Administration Agreement that it will cooperate with the Collateral Administrator in the preparation of such reports.

Retention Undertaking Letter

Under the Retention Undertaking Letter, the Collateral Manager will, for the benefit of the Issuer, the Trustee, the Collateral Administrator and the Placement Agent:

(a) undertake to acquire, on the Issue Date from the Issuer and hold, on an ongoing basis for so long as any Class of Notes remains Outstanding, not less than 5 per cent. of the Principal Amount Outstanding of each Class of Notes then Outstanding, pursuant to paragraph 1(a) of Article 405 of the CRR, paragraph 2(a) of the Solvency II Retention Requirements and Article 51(1)(a) of the AIFMD (the "**Retention Notes**");

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

(c) subject to any regulatory requirements, agree (i) to take such further action, provide such information, on a confidential basis, and enter into such other agreements as may reasonably be required to satisfy the Retention Requirements, the provisions of which are in effect as of the Issue Date, and (ii) to provide to the Issuer, on a confidential basis, information in the possession of the Collateral Manager relating to its holding of the Retention Notes, at the cost and expense of the party seeking such information, and to the extent such information is not subject to a duty of confidentiality, at any time prior to maturity of the Notes;

(d) agree to:

(i) confirm in writing promptly upon the request of the Trustee, the Collateral Administrator or the Issuer, in each case, to such party making such request; and

(ii) confirm in writing (which may be by email) to the Collateral Administrator on the last Business Day of each month commencing from the first Reporting Month, being October 2015 (for the purposes of inclusion of such confirmation in each Monthly Report),

its continued compliance with the covenants set out at paragraphs (a), and (b) above;

(e) agree that it shall promptly notify the Issuer if for any reason it (i) ceases to hold the Retention Notes in accordance with (a) above or (ii) fails to comply with the covenants set out in (a), (b) or (c) and the representations and warranties set out in (f) below fail to be true on any day; and

(f) represent and warrant that it is and intends, for so long as it is required to retain the Retention Notes, to continue to be a "sponsor" for the purposes of the Retention Requirements and will continue to retain the Retention Notes pursuant to paragraph (a) above in such capacity.

Notwithstanding the above:

(i) if the Collateral Manager is removed or resigns in accordance with the Collateral Management and Administration Agreement, then the Collateral Manager may transfer the Retention Notes to the successor Collateral Manager appointed pursuant to the Collateral Management and Administration Agreement to the extent such transfer is permitted or required in accordance with the Retention Requirements and provided that such transfer would not cause the transaction described in this Offering Circular and the Transaction Documents to cease to be compliant with the Retention Requirements;

(ii) the Collateral Manager may at any time transfer the Retention Notes to an Affiliate provided that (x) such transfer is permitted in accordance with the Retention Requirements and would not cause the transaction described in this Offering Circular and the Transaction Documents to cease to be compliant with the Retention Requirements and (y) if necessary to ensure compliance with the Retention Requirements, the Collateral Manager shall procure that the

Retention Notes are re-transferred to itself or any other eligible entity permitted under the Retention Requirements from time to time; and

(iii) the Collateral Manager's undertakings in respect of the Retention Notes are made as of the Issue Date, with such undertakings being binding for so long as any of the Notes remain Outstanding, and the Collateral Manager does not have any obligation to change the quantum, method or nature of its holding of the Retention Notes as a result of any changes to the Retention Requirements following the Issue Date or any other changes to regulations or the interpretation thereof the result of which is that the Issuer is reasonably characterised as an AIF by the Collateral Manager or the FCA following the Issue Date.

Should the Collateral Manager elect to transfer the Retention Notes to the successor collateral manager, or to any affiliate or related person thereof, then such transferee of the Retention Notes shall, by way of entry into of the Collateral Management and Administration Agreement, commit to acquire and retain the Retention Notes on the terms outlined above.

Prospective investors should consider the discussion in 2.35 "*Risk Retention*" above.

Fees of the Collateral Manager

As compensation for the performance of its obligations under the Collateral Management and Administration Agreement, the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will be entitled to receive from the Issuer on each Payment Date a senior management fee equal (exclusive of any VAT) to 0.15 per cent. per annum (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount measured as of the first day of the Due Period (or if such day is not a Business Day, the next day which is a Business Day) relating to the applicable Payment Date, which collateral management fee will be payable senior to the Notes, but subordinated to certain fees and expenses of the Issuer in accordance with the Priorities of Payments (such fee, the "**Senior Management Fee**").

The Collateral Management and Administration Agreement provides that the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will receive from the Issuer on each Payment Date a subordinated management fee equal (exclusive of any VAT) to 0.35 per cent. per annum (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount measured as of the first day of the Due Period (or if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date, as determined by the Collateral Administrator, which collateral management fee will be payable senior to the payments on the Subordinated Notes, but subordinated to the Rated Notes (such fee, the "**Subordinated Management Fee**").

Each of the Senior Management Fee and the Subordinated Management Fee shall be calculated based upon the actual number of days elapsed in the applicable Due Period divided by 360 and, subject to the paragraph below, shall not include any VAT payable on such Senior Management Fee and the Subordinated Management Fee.

If amounts distributable on any Payment Date in accordance with the Priorities of Payments are insufficient to pay the Senior Management Fee or the Subordinated Management Fee in full, then a portion of the Senior Management Fee or Subordinated Management Fee, as applicable, equal to the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priorities of Payments.

The Collateral Manager, in respect of any Collateral Management Fees due to be paid to it on a Payment Date, may elect to (i) defer any Senior Management Fees and Subordinated Management Fees, (ii) waive any Senior Management Fees and Subordinated Management Fees and/or (iii) direct the Issuer to pay any Senior Management Fees and/or Subordinated Management Fees, or any part thereof, to a party of its choice. Any amounts so deferred pursuant to (i) above or waived pursuant to (ii) above shall be applied in accordance with the Priorities of Payments. To the extent that the Collateral Manager elects to defer all or a portion thereof and later rescinds such deferral election, the Deferred Senior Collateral Management Amounts and/or the Deferred Subordinated Collateral Management Amounts, as applicable, will be payable on subsequent Payment Dates in accordance with the Priorities of Payments. Any due and unpaid Collateral Management Fees including Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts shall accrue interest at a rate per annum equal to three month EURIBOR or, if a Frequency Switch Event has occurred, six month EURIBOR (in each case calculated on the basis of a 360 day year consisting of twelve 30 day months from the date due and payable to the date of actual payment). Any amounts so waived pursuant to

(ii) above will cease to become due and payable and will not become due and payable at any time. Any amounts directed to be paid by the Collateral Manager to another party pursuant to (iii) above will cease to become due and payable to the Collateral Manager upon proper receipt of those amounts by the nominated party. In addition, in accordance with Condition 3(c) (*Priorities of Payments*), the Collateral Manager may, in its sole discretion, elect to designate that the Senior Management Fee and/or the Subordinated Management Fee be designated for reinvestment or deferred to be used to purchase additional Collateral Obligations or Rated Notes pursuant to Condition 7(k) (*Purchase*).

The Collateral Management and Administration Agreement also provides that the Collateral Manager will be entitled to an Incentive Collateral Management Fee on each Payment Date on which the Incentive Collateral Management Fee IRR Threshold of 12 per cent. has been met or surpassed, such Incentive Collateral Management Fee being equal (exclusive of any VAT) to 20 per cent. of any Interest Proceeds and Principal Proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payments on such Payment Date (such fee, the "**Incentive Collateral Management Fee**"). The Collateral Manager may, at its sole discretion designate, waive or reinvest in additional Collateral Obligations all or a part of the Incentive Collateral Management Fee, subject to and in accordance with the Priorities of Payments.

The Collateral Manager will be responsible for the ordinary expenses incurred in the performance of its obligations under the Collateral Management and Administration Agreement, provided that any extraordinary expenses incurred by the Collateral Manager in the performance of such obligations (including, but not limited to, any reasonable expenses incurred by it to employ outside lawyers or consultants reasonably necessary in connection with the default or restructuring of any Collateral Obligation or other unusual matters arising in the performance of its duties under the Collateral Management and Administration Agreement) shall be reimbursed by the Issuer as an Administrative Expense and only to the extent funds are available therefor in accordance with the Priorities of Payments.

Fees payable to, and costs and expenses of, the Collateral Manager, shall accrue up to the date on which the Collateral Manager's appointment is terminated or the Collateral Manager resigns its appointment, as described further below. If the Collateral Management and Administration Agreement is terminated pursuant to the terms thereof or otherwise, the Collateral Management Fee calculated as provided in the Collateral Management and Administration Agreement shall be pro-rated for any partial periods between Payment Dates during which the Collateral Management and Administration Agreement was in effect and shall be due and payable on the first Payment Date following the date of such termination subject to the Priorities of Payments. For the avoidance of doubt, where the Collateral Manager has resigned or has been removed, but is required to continue providing collateral management services until a successor has been appointed in accordance with the terms herein, the Collateral Manager shall continue to be entitled to the Collateral Management Fees and any costs and expenses of the Collateral Manager reimbursable pursuant to the terms of the Collateral Management and Administration Agreement.

Termination of the Collateral Management and Administration Agreement

Subject to the paragraph below, the Collateral Management and Administration Agreement may be terminated, and the Collateral Manager may be removed, upon the occurrence of a Collateral Manager For Cause Event (other than pursuant to paragraphs (viii) of the definition thereof) (i) at the Issuer's discretion; (ii) by the Issuer at the direction of the Controlling Class (acting by Extraordinary Resolution) or (ii) by holders of the Subordinated Notes acting by Extraordinary Resolution (in each case, excluding Notes held by any Collateral Manager Related Party) upon 30 calendar days' prior written notice to the Collateral Manager, the Trustee, the Hedge Counterparties and each Rating Agency.

Pursuant to the terms of the Collateral Management and Administration Agreement, if the Collateral Manager becomes aware that a Collateral Manager For Cause Event has occurred, the Collateral Manager will be required to give prompt written notice thereof to the Issuer, the Trustee, the Collateral Administrator, the Noteholders, the Hedge Counterparties and each Rating Agency upon the Collateral Manager becoming aware of the occurrence of such Collateral Manager For Cause Event.

The Collateral Management and Administration Agreement will automatically terminate upon the earliest to occur of (i) the payment in full of the Notes, in accordance with their terms, (ii) the liquidation of the Portfolio and the final distribution of the proceeds of such liquidation as provided in the Transaction Documents, and (iii) the determination in good faith by the Issuer that the Issuer or the Portfolio has become required to be registered under the Investment Company Act, and the Issuer notifies the Collateral Manager thereof.

Any of the following events shall constitute a **"Collateral Manager For Cause Event"**:

(i) the Collateral Manager wilfully breaches, or wilfully takes any action that it knows violates any material provision of the Collateral Management and Administration Agreement or the Trust Deed applicable to the Collateral Manager;

(ii) the Collateral Manager breaches any material provision of the Collateral Management and Administration Agreement or any terms of the Trust Deed applicable to it that, either individually or in the aggregate, is or could reasonably be expected to be, in the opinion of the Trustee, materially prejudicial to the interests of the holders of any Class of Notes (excluding for purposes of this clause any actions referred to in clause (i) above or clause (v) below) and fails to cure such breach within 30 days of becoming aware of, or receiving notice from the Trustee or the Issuer of, such breach or, if such breach is not capable of cure within 30 days, the Collateral Manager fails to cure such breach within the period in which a reasonably diligent person could cure such breach (but in no event being a period of more than 90 days);

(iii) the Collateral Manager is wound up or dissolved (other than pursuant to a consolidation, amalgamation or merger where a successor Collateral Manager succeeds the Collateral Manager and is bound by the terms of the Transaction Documents) 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, 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 in good faith 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 in good faith 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 remains undismissed for 60 days;

(iv) the occurrence of an Event of Default under Condition 10(a)(i) or (ii) (*Events of Default*) that arises directly from a breach of the Collateral Manager's duties or default by the Collateral Manager under the Collateral Management and Administration Agreement, which breach or default is not cured within any applicable cure period set forth in these Conditions;

(v) any legal, regulatory or other authorisations which are necessary for the performance of the Collateral Manager's obligations under any applicable laws are not in place or the performance by the Collateral Manager in accordance with the Collateral Management and Administration Agreement and the Trust Deed is in breach of any applicable laws, except for those jurisdictions in which the failure to be so qualified, authorised or licensed would not have a material adverse effect on the business, operations, assets or financial condition of the Collateral Manager or on the ability of the Collateral Manager to perform its obligations under, or on the validity or enforceability of, the Collateral Management and Administration Agreement and the Trust Deed;

(vi) any action is taken by the Collateral Manager, or any of its senior executive officers involved in the management of any of the Collateral Obligations, that constitutes fraud or criminal activity in connection with the performance of the Collateral Manager's obligations under the Collateral Management and Administration Agreement;

(vii) the Collateral Manager is indicted, or any of its senior executive officers is convicted, of a criminal offence under the laws of any jurisdiction in which it conducts business, materially

related to the Collateral Manager's asset management business, unless, in the case of a conviction of a senior executive officer of the Collateral Manager, such senior executive officer has, within 30 days after such occurrence, been removed from performing work in fulfilment of the Collateral Manager's obligations under the Collateral Management and Administration Agreement;

(viii) the Collateral Manager resigning pursuant to the terms of the Collateral Management and Administration Agreement; or

(ix) the occurrence of a Collateral Manager Tax Event.

Resignation

The Collateral Manager may resign, upon 90 days' (or such shorter notice as is acceptable to the Issuer) written notice to the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and each Rating Agency, **provided however** that the Collateral Manager will have the right to resign immediately upon the effectiveness of any material change in any applicable law or regulation which renders the performance by the Collateral Manager of its duties under the Transaction Documents to be a violation of such law or regulation. Notwithstanding any of the foregoing, no resignation or removal of the Collateral Manager, for cause or without cause, will be effective until the date as of which a successor Collateral Manager has been appointed as described below, and has accepted all of the Collateral Manager's duties and obligations in writing.

Appointment of Successor

Upon any removal or resignation of the Collateral Manager, to the extent it is permitted to do so in compliance with any applicable law or regulation, the Collateral Manager will continue to act in such capacity until a successor collateral manager has been appointed in accordance with the terms of the Collateral Management and Administration Agreement.

Within 90 days of the resignation, termination or removal of the Collateral Manager while any of the Notes are outstanding, the Subordinated Noteholders (acting by Ordinary Resolution) may propose a successor Collateral Manager by delivering notice thereof to the Issuer, the Trustee and the Noteholders. The Controlling Class (acting by Ordinary Resolution) may, within 30 days from receipt of such notice, object to such successor Collateral Manager by delivery of notice of such objection to the Issuer and the Trustee. If no notice of objection is received by the Issuer and the Trustee within such time period, such proposed successor Collateral Manager will be appointed Collateral Manager by the Issuer. If the Subordinated Noteholders (acting by Ordinary Resolution) make no such proposal within such 90-day period, the Controlling Class (acting by Ordinary Resolution) may propose a successor Collateral Manager by delivering notice thereof to the Issuer, the Trustee and the Noteholders; provided that no such proposed successor Collateral Manager may be an Affiliate of a holder of the Controlling Class. The Subordinated Noteholders (acting by Ordinary Resolution) may, within 30 days from receipt of such notice, object to such successor Collateral Manager by delivery of notice of such objection to the Issuer and the Trustee. If no notice of objection is received by the Issuer and the Trustee within such time period, such proposed successor Collateral Manager will be appointed Collateral Manager by the Issuer. Within 30 days of receipt of notice of any such objection, either the Controlling Class (acting by Ordinary Resolution) or the Subordinated Noteholders (acting by Ordinary Resolution) may propose a successor Collateral Manager by written notice to the Trustee, the Issuer and the Noteholders and either the Controlling Class (acting by Ordinary Resolution) or the Subordinated Noteholders (acting by Ordinary Resolution) may, within 30 days from receipt of such notice, deliver to the Issuer and the Trustee notice of objection thereto. If no notice of objection is received by the Issuer and the Trustee within such time period, such proposed successor Collateral Manager will be appointed Collateral Manager by the Issuer. If a notice of objection is received within 30 days, then either group of Noteholders may again propose a successor Collateral Manager in accordance with the foregoing. Notwithstanding the above, if no successor Collateral Manager has been appointed within 150 days following the date of resignation, termination or removal of the Collateral Manager, the Issuer will appoint a successor Collateral Manager proposed by the Controlling Class (acting by Ordinary Resolution) so long as such successor Collateral Manager (i) is not a Person that was previously objected to by the Subordinated Noteholders (acting by Ordinary Resolution) and (ii) is not an Affiliate of a holder of the Controlling Class.

Any replacement Collateral Manager must satisfy the conditions described below under "*Successor Requirements*".

Assignment by Collateral Manager

The Collateral Management and Administration Agreement provides that, except as described in the following paragraphs, no rights or obligations under the Collateral Management and Administration Agreement (or any interest therein) may be assigned or delegated by the Collateral Manager. In addition, no such assignment or delegation by the Collateral Manager will be effective if such assignment is to a transferee that does not qualify as an eligible successor as described below under "*Successor Requirements*".

The Collateral Manager is permitted to assign its rights and delegate its duties under the Collateral Management and Administration Agreement to any transferee or delegate so long as (i) such assignment or delegation is consented to by the Issuer, the Controlling Class (acting by Ordinary Resolution) and the Subordinated Noteholders (acting by Ordinary Resolution), (ii) each Rating Agency has confirmed in writing that the then-current rating assigned by such Rating Agency to any of the Notes will not be reduced, withdrawn or qualified as a result of such assignment or delegation, (iii) such transferee or delegate is legally qualified and having the regulatory capacity as a matter of Dutch law to act as such, including offering portfolio management services to Dutch residents, (iv) such assignment or delegation will not cause the Issuer to become chargeable to taxation in any jurisdiction other than The Netherlands, (v) such assignment will not cause additional VAT to become payable by the Issuer or the assignee in respect of the Collateral Management Fees and (vi) if, pursuant to paragraph (i) in "*Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter – Retention Undertaking Letter*" above and the Retention Requirements, such transferee or delegate is to be the relevant retention party for the purposes of the Retention Requirements, the appointment of such transferee or delegate will be conditional upon either such appointment not breaching the covenants set out thereunder or the transferee or delegate being regarded as a "sponsor" for the purposes of the Retention Requirements and acquiring and retaining the Retention Notes on and from the date that the relevant assignment, appointment or transfer takes effect in accordance with "*Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter – Retention Undertaking Letter*" above. Any transferee or delegate must satisfy the conditions described above under "Appointment of Successor".

In addition, notwithstanding the above, the Collateral Manager is permitted to assign and/or delegate any or all of its rights or duties under the Collateral Management and Administration Agreement to (a) any Affiliate of the Collateral Manager without the consent of the Issuer, the Noteholders or any other Person; provided that such Affiliate (i) has the ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management and Administration Agreement which are assigned or delegated to such Affiliate and, other than in relation to a delegation of part as opposed to all of the Collateral Manager's rights and duties under the Collateral Management and Administration Agreement (in which case only paragraph (ii)(4) under "*Successor Requirements*" below must be satisfied), otherwise satisfies the conditions described below in paragraph (iii) under "*Successor Requirements*" but in respect of the requirements in paragraphs (iii) (1) and (2) under "*Successor Requirements*" below only to the extent applicable to any rights or duties assigned and (ii) is legally qualified to perform the rights and duties assigned or delegated to it and, but only in relation to an assignment or delegation of all as opposed to part of the Collateral Manager's rights and duties under the Collateral Management and Administration Agreement, has the Dutch regulatory capacity to act as Collateral Manager under the Collateral Management and Administration Agreement and the other Transaction Documents or benefits from an exemption or exclusion from such requirements; or (b) solely with respect to certain operational or administrative functions that would otherwise be performed by the Collateral Manager in connection with the performance of its duties under the Collateral Management and Administration Agreement, State Street Bank and Trust Company or its agents or Affiliates, without the consent of the Issuer, Noteholders or any other Person.

Any corporation, partnership or limited liability company into which the Collateral Manager may be merged or converted or with which it may be consolidated, or any corporation, partnership or limited liability company resulting from any merger, conversion or consolidation to which the Collateral Manager will be a party, or any corporation, partnership or limited liability company succeeding to all or substantially all of the collateral management business of the Collateral Manager, will be the successor to the Collateral Manager without any further action by the Collateral Manager, the Issuer, the Trustee, the Noteholders or any other person or entity; **provided**, that (i) to the extent legally required, the Issuer consents to such action and (ii) the resulting entity qualifies as an eligible successor as described below under "*Successor Requirements*."

Any assignment in accordance with the Collateral Management and Administration Agreement will bind the assignee in the same manner as the Collateral Manager is bound. Upon the execution and delivery of a counterpart of the Collateral Management and Administration Agreement by the assignee, the Collateral Manager will be released from further obligations under the Collateral Management and Administration

Agreement, except with respect to (x) its agreements and obligations arising under various sections of the Collateral Management and Administration Agreement in respect of acts or omissions occurring prior to such assignment and (y) its obligations under the Collateral Management and Administration Agreement in respect of acts upon termination. Any rights of the Collateral Manager stated to survive the termination of the Collateral Management and Administration Agreement, shall remain vested in the Collateral Manager after the termination in accordance with the terms of the Collateral Management and Administration Agreement.

In addition, the Collateral Manager may employ third parties (including Affiliates) to render advice (including investment advice) and assistance to the Issuer; provided that (A) the Collateral Manager will not be relieved of any of its duties under the Collateral Management and Administration Agreement as a result of such employment of third parties and (B) the Collateral Manager will be solely responsible for the fees and expenses payable to any such third party except to the extent such expenses are payable by the Issuer under the Collateral Management and Administration Agreement. The Collateral Manager may not, however, assign or delegate any of its rights or responsibilities, nor permit Affiliates or third parties to perform services on its behalf, if such assignment, delegation or permission would cause the Issuer to be subject to tax in any jurisdiction outside its jurisdiction of incorporation.

Successor Requirements

Any removal or resignation of the Collateral Manager or termination of the Collateral Management and Administration Agreement as described above that occurs while any Notes are outstanding under the Trust Deed will be effective only if (i) Rating Agency Confirmation has been received from each Rating Agency in respect of such termination and assumption by an eligible successor and (ii) the Issuer appoints a successor Collateral Manager (1) that has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management and Administration Agreement with a substantially similar (or better) level of expertise, (2) that is legally qualified and has the capacity (including Dutch regulatory capacity to provide Collateral Management services to Dutch counterparties as a matter of the laws of The Netherlands) to act as Collateral Manager under the Collateral Management and Administration Agreement in the assumption of all of the responsibilities, duties and obligations of the Collateral Manager under the Collateral Management and Administration Agreement and under the applicable terms of the other Transaction Documents, (3) the appointment of which will not cause either of the Issuer or the Collateral to become required to register under the provisions of the Investment Company Act, (4) the appointment and conduct of which will not cause the Issuer to be subject to net income or profits taxation outside its jurisdiction of incorporation or to be engaged in a trade or business in the United States for U.S. federal income tax purposes, result in the Collateral Management Fees becoming subject to value added or similar tax or cause any other material adverse tax consequences to the Issuer and (5) the appointment and conduct of which will not cause the Issuer to be resident in, or have a permanent establishment in, any jurisdiction other than The Netherlands, or be deemed to be resident for tax purposes in, or have a permanent establishment in, or be engaged or deemed to be engaged in the conduct of a trade or business in, any jurisdiction other than The Netherlands. If, pursuant to paragraph (i) in "*Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter – Retention Undertaking Letter*" above and the Retention Requirements, such successor Collateral Manager is to be the relevant retention party for the purposes of the Retention Requirements, the appointment of such successor Collateral Manager will be conditional upon either such appointment not breaching the covenants set out thereunder or such successor being regarded as a "sponsor" for the purposes of the Retention Requirements and acquiring and retaining the Retention Notes on and from the date that such Collateral Manager's appointment takes effect in accordance with "*Description of the Collateral Management and Administration Agreement and the Retention Undertaking Letter – Retention Undertaking Letter*" above on and from the date that its appointment takes effect. The Issuer, the Trustee and the successor Collateral Manager will take such action (or cause the outgoing Collateral Manager to take such action) consistent with the Collateral Management and Administration Agreement and the terms of the other Transaction Documents as will be necessary to effectuate any such succession. No termination of the appointment of the Collateral Manager will be effective until a successor Collateral Manager is duly appointed. Any resignation, termination or removal of the Collateral Manager must satisfy the conditions described above under "*Appointment of Successor*".

No Voting Rights

Any Notes held by or on behalf of the Collateral Manager or a Collateral Manager Related Party will have no voting rights with respect to any vote (or written direction or consent) in connection with any CM Replacement Resolution or CM Removal Resolution, other than in respect of the relevant Class of such Notes, where the

replacement of the Collateral Manager follows its resignation as Collateral Manager pursuant to the Collateral Management and Administration Agreement. With respect to any vote (or written direction or consent) in connection with any CM Replacement Resolution or CM Removal Resolution by the then Controlling Class, only CM Voting Notes, subject to the aforementioned restriction on voting, will be entitled to vote. Any Notes held by the Collateral Manager or a Collateral Manager Related Party will have voting rights (including in respect of written directions and consents) with respect to all other matters as to which Noteholders are entitled to vote and, in exercising such vote, the Collateral Manager or such Collateral Manager Related Party may act in its sole interests, which may be adverse to the interests of other Noteholders.

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 Placement Agent or any other party. None of the Placement Agent or any other party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

Description

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.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Administrator may be removed: (a) without cause at any time upon at least 90 days' prior written notice; or (b) with cause upon at least 10 days' prior written notice by the Issuer at its discretion or the Trustee acting upon the written directions of the holders of the Subordinated Notes acting by way of Extraordinary Resolution and subject to the Trustee being secured and/or indemnified and/or prefunded to its satisfaction. In addition the Collateral Administrator may also resign its appointment without cause on at least 45 days' prior written notice and with cause upon at least 10 days' prior written notice to the Issuer, the Trustee and the Collateral Manager. No resignation or removal of the Collateral Administrator will be effective until a successor collateral administrator has been appointed pursuant to the terms of the Collateral Management and Administration Agreement.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions which, pursuant to the Collateral Management and Administration Agreement, are required to be contained in each Hedge Agreement and Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Hedge Transaction constitutes a Form Approved Hedge.

Hedge Agreements

Subject to the satisfaction of the Hedging Condition, the Issuer (or the Collateral Manager on its behalf) may enter into transactions documented under a 1992 or (Multicurrency - Cross Border) or 2002 Master Agreement or such other form published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"). Each Hedge Transaction will be evidenced by a confirmation entered into pursuant to a Hedge Agreement.

Each Hedge Transaction will be for the purposes of:

(a) in the case of an Interest Rate Hedge Transaction, hedging any interest rate mismatch between the Rated Notes and the Collateral Obligations; and

(b) in the case of a Currency Hedge Transaction, exchanging payments of principal, interest and other amounts in respect of any Non-Euro Obligation for amounts denominated in Euros at the Currency Hedge Transaction Exchange Rate,

in each case subject to receipt of Rating Agency Confirmation in respect thereof (save in the case of a Form Approved Hedge) and provided that the Hedge Counterparty satisfies the applicable Rating Requirement (taking into account any guarantor thereof) and any applicable regulatory requirements.

For the avoidance of doubt, the ability of the Issuer or the Collateral Manager on its behalf to enter into any Currency Hedge Transactions, and therefore the ability of the Issuer or the Collateral Manager on its behalf to acquire Non-Euro Obligations, is subject to the satisfaction of the Hedging Condition.

Replacement Hedge Transactions

(a) Currency Hedge Transactions: In the event that any Currency Hedge Transaction terminates in whole at any time in circumstances in which the applicable Currency Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Currency Hedge Agreement), the Issuer (or the Collateral Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Currency Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and any applicable regulatory requirements.

(b) Interest Rate Hedge Transactions: In the event that any Interest Rate Hedge Transaction terminates in whole at any time in circumstances in which the applicable Interest Rate Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Interest Rate Hedge Agreement) the Issuer (or the Collateral Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Interest Rate Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and any applicable regulatory requirements.

Standard Terms of Currency Hedge Transactions

Any Currency Hedge Transaction shall contain the following terms (provided that the Issuer may enter into Currency Hedge Transactions on different terms than those set forth below, subject to receipt of Rating Agency Confirmation in respect thereof or such Currency Hedge Transaction being a Form Approved Hedge):

(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, which shall be the date falling two Business Days after the date on which the Non-Euro Obligation is scheduled to mature or such later date as otherwise specified in the relevant confirmation, the Issuer pays to the Currency Hedge Counterparty a final exchange amount equal to the amount payable upon maturity of the Non-Euro Obligation in the relevant currency (the "**Proceeds on Maturity**") in exchange for payment by the Currency Hedge Counterparty of a final exchange amount denominated in Euros, such final exchange amount to be an amount equal to the Proceeds on Maturity converted into Euros at the Currency Hedge Transaction Exchange Rate;

(c) 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 (the "**Non-Euro Notional Amount**") and equal to the interest payable in respect of the Non-Euro Obligation and the Currency Hedge Counterparty will pay to the Issuer an amount based on the outstanding principal amount of the related Non-Euro Obligation and equal to the interest payable in respect of the Non-Euro Obligation converted into Euros at the Currency Hedge Transaction Exchange Rate (the "**Euro Notional Amount**"); and

(d) 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 (but, for the avoidance of doubt, no breakage or other costs will be payable to the Currency Hedge Counterparty in connection with a prepayment, repayment or redemption of the related Non-Euro Obligation).

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 appropriate Currency Account and all amounts payable by the Issuer under any Currency Hedge Transaction (other than any initial exchange amounts payable in Euros by the Issuer, any Hedge Replacement Receipts and any Currency Hedge Issuer Termination Payments save to the extent otherwise provided in Condition 3(k)(ix) (*Currency Accounts*)) will be paid out of the appropriate Currency Account, in each case to the extent amounts are available therein.

The Issuer shall only be obliged to pay Scheduled Periodic Currency Hedge Issuer Payments to a Currency Hedge Counterparty if and to the extent it actually receives the corresponding amount in respect of the relevant Non-Euro Obligation.

Standard Terms of Hedge Agreements

Each Hedge Agreement entered into by or on behalf of the Issuer shall contain the following standard provisions, save to the extent that any change thereto is agreed by the applicable Hedge Counterparty and subject to receipt of Rating Agency Confirmation in respect thereof (other than in respect of any Form Approved Hedges).

Gross up

Under each Hedge Agreement neither the Issuer nor the applicable Hedge Counterparty will be obliged to gross up any payments thereunder in the event of any withholding or deduction for or on account of tax required to be

paid on such payments. Any such event may however result in a "**Tax Event**" which is a "**Termination Event**" for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a Tax Event (as defined in such Hedge Agreement), each Hedge Agreement will include provision for the relevant Affected Party (as defined therein) to use reasonable endeavours to (i) (in the case of the Hedge Counterparty) arrange for a transfer of all of its interests and obligations under the Hedge Agreement and all Transactions (as defined in the Hedge Agreement) thereunder to an Affiliate acceptable to the Issuer 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) if a substitute principal obligor under the Notes has been substituted for the Issuer in accordance with Condition 9 (*Taxation*), arrange for a transfer of all of its interest and obligations under the Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein (including receipt of Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of Payments set out in Condition 3(c) (*Priorities of Payments*). The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse and Non-Petition*).

Termination Provisions

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the earlier to occur of certain events, which may include but are not limited to:

(a) certain events of bankruptcy, insolvency, receivership or reorganisation of the Issuer or the related Hedge Counterparty;

(b) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the applicable Hedge Agreement after taking into account the applicable grace period;

(c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or perform its obligations under, the applicable Hedge Agreement;

(d) a regulatory change or change in the regulatory status of the Issuer which cannot be remedied by a modification of the relevant Hedge Agreement, as further described in the relevant Hedge Agreement;

(e) any amendment to any provisions of the Transaction Documents without the written consent of the Hedge Counterparty which has a material adverse effect on its rights thereunder, or as further described in the relevant Hedge Agreement;

(f) 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;

(g) upon the early redemption in full or acceleration of the Notes; and

(h) any other event as specified in the relevant Hedge Agreement.

A termination of a Hedge Agreement does not constitute an Event of Default under the Notes though the repayment in full of the Notes may be an additional termination event under a Hedge Agreement.

Upon the occurrence of any Event of Default or Termination Event (each as defined in the applicable Hedge Agreement), a Hedge Agreement may be terminated by the Hedge Counterparty or the Issuer (or the Collateral Manager on its behalf) in accordance with the detailed provisions thereof and a lump sum (the "**Termination Payment**") may become payable by the Issuer to the applicable Hedge Counterparty or vice versa. Such Termination Payment will be determined by the applicable Hedge Counterparty and/or Issuer (or the Collateral Manager on its behalf) by reference to market quotations obtained in respect of the entry into a replacement swap(s) on the same terms as that terminated or as otherwise described in the applicable Hedge Agreement or, to the extent that such determination does not produce a commercially reasonable result, any loss suffered by a party.

Rating Downgrade Requirements

Each Hedge Agreement shall contain provisions requiring certain remedial action to be taken in the event that the Hedge Counterparty (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade, such provisions being in accordance with the rating methodology of the Rating Agencies at the time of entry into such Hedge Agreements. Such provisions may include a requirement that a Hedge Counterparty must post collateral or transfer the Hedge Agreement to another entity (or, as relevant, its guarantor) meeting the applicable Rating Requirement or procure that a guarantor meeting the applicable Rating Requirement guarantees its obligations under the Hedge Agreement or take other actions subject to Rating Agency Confirmation.

Transfer and Modification

The Collateral Manager acting on behalf of the Issuer, may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form Approved Hedge following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose credit support provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and provided that such institution satisfies any applicable regulatory requirements.

Any of the requirements set out herein may be modified in order to meet any new or additional requirements of any Rating Agency then rating any Class of Notes.

Governing Law

Each Hedge Agreement together with each Hedge Transaction thereunder in each case, including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

DESCRIPTION OF THE REPORTS

Monthly Reports

The Collateral Administrator, not later than the eighth Business Day after the last Business Day of each month (save in respect of any month for which a Payment Date Report or Effective Date Report has been prepared) (such month being the "**Reporting Month**"), commencing in respect of the Reporting Month of October 2015, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile a monthly report (including portfolio data in excel format) (the "**Monthly Report**"), in consultation with the Collateral Manager. Each Monthly Report shall be made available via a secured website currently located at https://usbtrustgateway.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Placement Agent, the Trustee, the Hedge Counterparties, the Rating Agencies and the Noteholders from time to time) which shall be accessible to the Issuer, the Placement Agent, the Trustee, the Collateral Manager, the Hedge Counterparties and the Rating Agencies and, to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes. Each Monthly Report shall contain, without limitation, the following information with respect to the Portfolio, determined by the Collateral Administrator as at the last Business Day of the relevant Reporting Month:

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations and Eligible Investments representing Principal Proceeds;

(b) the Collateral Principal Amount of the Collateral Obligations;

(c) the Adjusted Collateral Principal Amount of the Collateral Obligations;

(d) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, its Principal Balance (in the case of Deferring Securities, both including and excluding capitalised or deferring interest), LoanX ID, CUSIP number, ISIN or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility, Collateral Obligation Stated Maturity, Obligor, the Domicile of the Obligor, currency, Moody's Recovery Rate, Moody's Rating, Fitch Rating, Fitch Recovery Rate and any other public rating (other than any confidential credit estimate), its Moody's industry category and Fitch industry category;

(e) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, whether such Collateral Obligation is a Secured Senior Obligation, Unsecured Senior Obligation, Second Lien Loan, Mezzanine Obligation or High Yield Bond, Fixed Rate Collateral Obligation, Interest Smoothing Obligation, Corporate Rescue Loan, PIK Security, Current Pay Obligation, Revolving Obligation, Delayed Drawdown Collateral Obligation, Bridge Loan, Discount Obligation, a Swapped Non-Discount Obligation or a Deferring Security;

(f) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Enhancement Obligation and Exchanged Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Collateral Obligation Stated Maturity and Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto;

(g) subject to any confidentiality obligations binding on the Issuer, the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Obligations, Collateral Enhancement Obligations or Exchanged Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition and the section in the Collateral Management and Administration Agreement pursuant to which such sale or other disposition was made), the Aggregate Principal Balances of Collateral Obligations released for sale or other disposition at the Collateral Manager's discretion (expressed as a percentage of the Adjusted Collateral Principal Amount and measured at the date of determination of the last Monthly Report) and the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Collateral Manager;

(h) subject to any confidentiality obligations binding on the Issuer, the purchase or sale price of each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation acquired by the Issuer and in which the Issuer has granted a security interest to the Trustee, and each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation sold by the Issuer since the date of determination of the last Monthly Report and the identity of the purchasers or sellers thereof, if any, that are Affiliated with the Issuer or the Collateral Manager;

(i) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Defaulted Obligation or Deferring Security or in respect of which an Exchanged Security has been received since the date of determination of the last Monthly Report and the identity and Principal Balance of each Moody's Caa Obligation, Fitch CCC Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Restructured Obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the Restructuring Date;

(k) the Aggregate Principal Balance of Collateral Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Collateral Manager has actual knowledge;

(l) the approximate Market Value of, respectively, the Collateral Obligations and the Collateral Enhancement Obligations as provided by the Collateral Manager;

(m) in respect of each Collateral Obligation, its Moody's Rating and Fitch Rating (other than any confidential credit estimate) as at (i) the date of acquisition; (ii) the date of the previous Monthly Report; and (iii) the date of the current Monthly Report;

(n) the Aggregate Principal Balance of Collateral Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record;

(o) the identity (subject to any confidentiality obligations binding on the Issuer) and the Principal Balance of each Collateral Obligation which would be treated as a Cov-Lite Loan if it was not for the proviso in the definition thereof;

(p) the amount of any interest capitalised on each PIK Security as principal since the date of acquisition of such PIK Security; and

(q) whether a Restricted Trading Period applies.

Accounts

(a) the Balances standing to the credit of each of the Accounts; and

(b) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts.

Incentive Collateral Management Fee

(a) the accrued Incentive Collateral Management Fee.

Hedge Transactions

(a) the outstanding notional amount of each Hedge Transaction and the current rate of EURIBOR;

(b) the amount scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date;

(c) the then current Fitch rating and, if applicable, Moody's Rating in respect of each Hedge Counterparty and whether such Hedge Counterparty satisfies the Rating Requirements; and

(d) the maturity date, the strike price and the underlying currency notional amount of each currency option, the upfront premium paid or payable by the Issuer thereunder and, in relation to each currency option

exercised, the date of exercise, the spot foreign exchange rate at the time of exercise, the notional amount of the optional exercised, the aggregate notional amount of the option which remains unexercised and the aggregate premium received.

Frequency Switch Event

(a) whether a Frequency Switch Event has occurred and the date of such Frequency Switch Event (as notified to the Collateral Administrator by the Collateral Manager).

Coverage Tests and Collateral Quality Tests

(a) a statement as to whether each of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test and the Class E Par Value Test is satisfied and details of the relevant Par Value Ratios;

(b) a statement as to whether each of the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test is satisfied and details of the relevant Interest Coverage Ratios;

(c) from and after the Effective Date a statement as to whether the Interest Diversion Test is satisfied;

(d) the Weighted Average Life and a statement as to whether the Weighted Average Life Test is satisfied;

(e) the Weighted Average Floating Spread, a statement as to whether the Moody's Minimum Weighted Average Floating Spread Test is satisfied;

(f) the Weighted Average Spread (calculated on the basis of the Aggregate Funded Spread determined (1) with the EURIBOR Floor Adjustment and (2) without the EURIBOR Floor Adjustment);

(g) the Moody's Minimum Weighted Average Coupon, the Weighted Average Coupon, the Excess Weighted Average Coupon and the Excess Weighted Average Floating Spread and a statement as to whether the Minimum Weighted Average Spread Test is satisfied;

(h) so long as any Notes 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 Notes 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 Notes rated by Moody's are Outstanding, the Diversity Score and a statement as to whether the Moody's Minimum Diversity Test is satisfied;

(k) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Maximum Weighted Average Rating Factor Test is satisfied;

(l) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Minimum Weighted Average Recovery Rate Test is satisfied;

(m) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Minimum Weighted Average Spread Test is satisfied;

(n) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Minimum Weighted Average Fixed Coupon Test is satisfied;

(o) 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; and

Portfolio Profile Tests

(a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied, together with details of the result of the calculations required to be made in order to make such determination which details shall include the applicable numbers, levels and/or percentages resulting from such calculations;

(b) the identity and Fitch Rating and Moody's Rating of each Selling Institution, together with any changes in the identity of such entities since the date of determination of the last Monthly Report and details of the aggregate amount of Participations entered into with each such entity; and

(c) a statement as to whether the limits specified in the Bivariate Risk Table are met by reference to the Fitch Ratings and Moody's Ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non-compliance.

Risk Retention

Confirmation that the Collateral Administrator has received written confirmation (and upon which confirmation the Collateral Administrator shall be entitled to rely without further enquiry and without liability for so relying) from the Collateral Manager that:

(i) it continues to hold an initial principal amount representing not less than 5 per cent. of each Class of Notes; and

(ii) it has not sold, hedged or otherwise mitigated its credit risk under or associated with the Retention Notes or the underlying portfolio of Collateral Obligations, except to the extent permitted in accordance with the Retention Requirements.

CM Voting Notes / CM Non-Voting Notes / CM Non-Voting Exchangeable Notes

For so long as any Class A Notes are Outstanding:

(a) the aggregate Principal Amount Outstanding of all CM Voting Notes;

(b) the aggregate Principal Amount Outstanding of all CM Non-Voting Exchangeable Notes; and

(c) the aggregate Principal Amount Outstanding of all CM Non-Voting Notes.

For so long as any Class B Notes are Outstanding:

(a) the aggregate Principal Amount Outstanding of all CM Voting Notes;

(b) the aggregate Principal Amount Outstanding of all CM Non-Voting Exchangeable Notes; and

(c) the aggregate Principal Amount Outstanding of all CM Non-Voting Notes.

For so long as any Class C Notes are Outstanding:

(a) the aggregate Principal Amount Outstanding of all CM Voting Notes;

(b) the aggregate Principal Amount Outstanding of all CM Non-Voting Exchangeable Notes; and

(c) the aggregate Principal Amount Outstanding of all CM Non-Voting Notes.

For so long as any Class D Notes are Outstanding:

(a) the aggregate Principal Amount Outstanding of all CM Voting Notes;

(b) the aggregate Principal Amount Outstanding of all CM Non-Voting Exchangeable Notes; and

(c) the aggregate Principal Amount Outstanding of all 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 (including portfolio data in excel format) on the Business Day preceding the related Payment Date (the "**Payment Date Report**"), prepared and determined as of each Determination Date. Each Payment Date Report shall be made available via a secured website currently located at https://usbtrustgateway.usbank.com (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Placement Agent, the Trustee, the Hedge Counterparties, the Rating Agencies and the Noteholders from time to time) which shall be accessible to the Issuer, the Placement Agent, the Trustee, the Collateral Manager, the Hedge Counterparties and the Rating Agencies and, to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes. Upon issue of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify the Irish Stock Exchange of the Principal Amount Outstanding of each Class of Notes after giving effect to the principal payments, if any, on the next Payment Date. Each 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 purchase and disposal of any Collateral Obligations during such Due Period;

(b) subject to any confidentiality obligations binding on the Issuer, a list of, respectively, the Collateral Obligations and Collateral Enhancement Obligations indicating the Principal Balance and Obligor of each; and

(c) the information required pursuant to "*Monthly Reports - Portfolio*" above.

Notes

(a) the Principal Amount Outstanding of the Notes of each Class and such aggregate amount as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class at the beginning of the Accrual Period, the amount of principal payments to be made on the Notes of each Class on the related Payment Date, and the aggregate amount of the Notes of each Class Outstanding and such aggregate amount as a percentage of the original aggregate amount of the Notes of such Class Outstanding after giving effect to the principal payments, if any, on the next Payment Date;

(b) the Interest Amount and any Deferred Interest payable in respect of each Class of Notes on the next Payment Date;

(c) EURIBOR for the related Due Period and the Floating Rate of Interest applicable to each Class of Floating Rate Notes during the related Due Period; and

(d) whether a Frequency Switch Event has occurred and the date of such Frequency Switch Event.

Payment Date Payments

(a) the amounts payable and amounts paid pursuant to the Interest Priority of Payments, the Principal Proceeds of Payments and the Post-Acceleration Priority of Payments;

(b) the Trustee Fees and Expenses, the amount of any Collateral Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis; and

(c) any Defaulted Currency Hedge Termination Payments and Defaulted Interest Rate Hedge Termination Payments.

Accounts

(a) the Balance standing to the credit of the Interest Account at the end of the related Due Period;

(b) the Balance standing to the credit of the Principal Account at the end of the related Due Period;

(c) the Balance standing to the credit of the Interest Account immediately after all payments and deposits to be made on the next Payment Date;

(d) the Balance standing to the credit of the Principal Account immediately after all payments and deposits to be made on the next Payment Date;

(e) the amounts payable from the Interest Account through a transfer to the Payment Account pursuant to the Priorities of Payments on such Payment Date;

(f) the amounts payable from the Principal Account through a transfer to the Payment Account pursuant to the Priorities of Payments on such Payment Date;

(g) the amounts payable from any other Accounts (through a transfer to the Payment Account) pursuant to the Priorities of Payments on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;

(h) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period;

(i) the purchase price, principal amount, redemption price, annual interest rate, maturity date of and Obligor of each Eligible Investment purchased from funds in the Accounts;

(j) the Principal Proceeds received during the related Due Period;

(k) the Interest Proceeds received during the related Due Period; and

(l) the Collateral Enhancement Obligation Proceeds received during the related Due Period.

Coverage Tests, Collateral Quality Tests and Portfolio Profile Tests

(a) the information required pursuant to "*Monthly Reports - Coverage Tests and Collateral Quality Tests*" above; and

(b) the information required pursuant to "*Monthly Reports - Portfolio Profile Tests*" above.

Hedge Transactions

The information required pursuant to "*Monthly Reports - Hedge Transactions*" above.

Risk Retention

The information required pursuant to "*Monthly Reports - Risk Retention*" above.

CM Voting Notes / CM Non-Voting Notes / CM Non-Voting Exchangeable Notes

The information required pursuant to "*Monthly Reports – CM Voting Notes / CM Non-Voting Notes / CM Non-Voting Exchangeable Notes*" above.

Miscellaneous

For the purposes of the Reports, obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase, but which have not yet settled, shall be included as Collateral Obligations as if such purchase had been completed and obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations as if such sale had been completed.

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 in respect of the preparation of its financial statements and tax returns.

TAX CONSIDERATIONS

1. General

Purchasers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Note.

POTENTIAL PURCHASERS ARE WHOLLY RESPONSIBLE FOR DETERMINING THEIR OWN TAX POSITION IN RESPECT OF THE NOTES. POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT THEIR TAX POSITION ON PURCHASE, OWNERSHIP, TRANSFER OR EXERCISE OF ANY NOTE SHOULD CONSULT THEIR OWN TAX ADVISERS. IN PARTICULAR, NO REPRESENTATION IS MADE AS TO THE MANNER IN WHICH PAYMENTS UNDER THE NOTES WOULD BE CHARACTERISED BY ANY RELEVANT TAXING AUTHORITY. POTENTIAL INVESTORS SHOULD BE AWARE THAT THE RELEVANT FISCAL RULES OR THEIR INTERPRETATION MAY CHANGE, POSSIBLY WITH RETROSPECTIVE EFFECT, AND THAT THIS SUMMARY IS NOT EXHAUSTIVE. THIS SUMMARY DOES NOT CONSTITUTE LEGAL OR TAX ADVICE OR A GUARANTEE TO ANY POTENTIAL INVESTOR OF THE TAX CONSEQUENCES OF INVESTING IN THE NOTES.

2. Netherlands Taxation

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Offering Circular and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes or Coupons, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a holder of Notes, an individual holding Notes or an entity holding Notes, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Notes or otherwise being regarded as owning Notes for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "the Netherlands" or "Dutch" it refers only to the European part of the Kingdom of the Netherlands.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of Notes.

Withholding Tax

All payments made by the Issuer of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains Tax

Residents

Resident entities

An entity holding Notes which is, or is deemed to be, resident in the Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates.

Resident individuals

An individual holding Notes who is, is deemed to be, or has elected to be treated as, resident in the Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from the Notes at rates up to 52 per cent. if:

(i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or

(ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding Notes will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Notes. The deemed return amounts 4 per cent. of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Notes). Subject to application of certain allowances, the deemed return will be taxed at a rate of 30 per cent.

Non-residents

A holder which is not, is not deemed to be, and - in case the holder is an individual - has not elected to be treated as, resident in the Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from the Notes unless:

(i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in the Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and the holder of Notes derives profits from such enterprise (other than by way of securities); or

(ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

Gift and Inheritance Tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of Notes by way of gift by, or on the death of, a holder of Notes, unless:

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

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

VAT

There is no Dutch VAT payable by a holder of Notes in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes, or the transfer of Notes.

Other Taxes and Duties

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in the Netherlands by a holder of Notes in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of the Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

Residence

A holder of Notes will not be and will not be deemed to be resident in the Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of Notes or the execution, performance, delivery and/or enforcement of Notes.

3. Certain U.S. Federal Income Tax Considerations

General

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

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

- an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;
- a corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) that is created or organised in or under the laws of the United States, any State thereof, or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons have the authority to control all of its substantial decisions.

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

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

An individual may, subject to certain exceptions, be deemed to be a resident of the United States for U.S. federal income tax purposes by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of more than 182 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year).

This summary is based on interpretations of the Internal Revenue Code of 1986, as amended (the "**Code**"), regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any such change may be applied retroactively and may adversely affect the federal income tax consequences described herein. This summary addresses only holders that purchase Notes at initial issuance (and at their issue price) and beneficially own such Notes as capital assets and not as part of a "straddle", "hedge", "synthetic security" or a "conversion transaction" for federal income tax purposes, or as part of some other integrated investment. This summary does not discuss all of the tax consequences that may be relevant to particular investors (such as any alternative minimum tax consequences) or to investors subject to special treatment under the federal income tax laws (such as banks, thrifts, or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; mutual funds or real estate investment trusts; small business investment companies; S corporations; partnerships or investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal income tax purposes; U.S. Holders whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; retirement plans or other tax-exempt entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts; or "controlled foreign corporations" or "passive foreign investment companies" for U.S. federal income tax purposes). This summary also does not address the tax consequences to shareholders, or other equity holders in, or beneficiaries of, a holder of Notes, or any state, local or non-U.S. tax

consequences of the purchase, ownership or disposition of the Notes. Finally, this summary does not address the tax consequences to a Contributor of a Contribution as described in Condition 3(b) (*Contributions*).

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

U.S. Federal Tax Treatment of the Issuer

The Issuer will be treated as a foreign corporation for U.S. federal income tax purposes. Upon the issuance of the Notes, the Issuer will receive an opinion of Clifford Chance U.S. LLP to the effect that, although no activity closely comparable to that contemplated by the Issuer has been the subject of any Treasury regulation, revenue ruling or judicial decision, if the Issuer and the Collateral Manager comply with the Trust Deed and the Collateral Management and Administration Agreement, including certain tax guidelines referenced therein (the "**U.S. Tax Guidelines**"), and certain other assumptions specified in the opinion are satisfied, the Issuer will not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes under current law. Failure of the Issuer or the Collateral Manager to comply with the U.S. Tax Guidelines, the Trust Deed or the Collateral Management and Administration Agreement may not give rise to a default or an Event of Default under the Trust Deed or the Collateral Management and Administration Agreement and may not give rise to a claim against the Issuer or the Collateral Manager. In the event of such a failure, the Issuer could be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes. In addition, the U.S. Tax Guidelines permit the Issuer (or the Collateral Manager acting on its behalf) to receive advice from nationally recognised U.S. tax counsel to the effect that any changes in its structure and operations will not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes. The opinion of Clifford Chance U.S. LLP will assume the correctness of any such advice. The opinion of Clifford Chance U.S. LLP is not binding on the IRS or the courts. Moreover, a change in law or its interpretation could result in the Issuer being treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis (notwithstanding that the Collateral Manager is acting in accordance with the U.S. Tax Guidelines). Finally, the Trust Deed could be amended in a manner that permits or causes the Issuer to be engaged in a trade or business in the United States for U.S. federal income tax purposes.

If it is determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer will be subject under the Code to the regular U.S. federal corporate income tax on its effectively connected taxable income, possibly on a gross basis, and possibly to a 30 per cent. branch profits tax and state and local taxes as well. The imposition of such a tax liability could materially adversely affect the Issuer's ability to make payments on the Notes. The balance of this summary assumes that the Issuer is not subject to U.S. federal income tax on its net income.

U.S. Federal Tax Treatment of the Notes

Upon the issuance of the Notes, the Issuer will receive an opinion of Cadwalader, Wickersham & Taft LLP to the effect that, based on certain assumptions, the Class A Notes, Class B Notes, Class C Notes, and Class D Notes will be treated, and the Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes. No opinion will be received with respect to the Class F Notes. The Issuer intends to treat each Class of the Rated Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes. The Issuer's characterisations will be binding on all Noteholders, and the Trust Deed requires the Noteholders to treat the Rated Notes as indebtedness for U.S. federal, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that one or more Classes of Rated Notes are equity in the Issuer. If any Rated Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, then the Noteholders of those Notes would be subject to the special and potentially adverse U.S. tax rules applicable to U.S. equity owners in PFICs. See "*Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes*" below. Except as otherwise indicated, the balance of this summary assumes that all of the Rated Notes are treated as indebtedness of the Issuer for U.S. federal, state and local income and franchise tax purposes. Prospective investors in the Rated Notes should consult their tax advisors regarding the U.S. federal, state and local income and franchise tax consequences to the investors in the event their Rated Notes are treated as equity in the Issuer.

The Issuer intends to treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, and the Trust Deed requires each holder to treat the Subordinated Notes consistently with this treatment.

The Trust Deed could be amended in a manner that materially adversely affects the U.S. federal tax consequences of an investment in the Notes as described herein, including by affecting the U.S. federal income tax characterization of the Notes as indebtedness or equity or changing the characterization and timing of income inclusions to U.S. Holders in respect of the Notes. The remainder of this discussion and the tax opinion of Cadwalader, Wickersham & Taft LLP assume that the Trust Deed is not so amended.

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

Class A Notes and Class B Notes.

Stated Interest. U.S. Holders of Class A Notes and Class B Notes will include in gross income the U.S. dollar value of payments of stated interest accrued or received on their Notes, in accordance with their usual method of tax accounting, as ordinary interest income.

In general, U.S. Holders of Class A Notes or Class B Notes that use the cash method of accounting will calculate the U.S. dollar value of payments of stated interest based on the euro-to-U.S. dollar spot exchange rate at the time a payment is received.

In general, U.S. Holders of Class A Notes or Class B Notes that use the accrual method of accounting or that otherwise are required to accrue stated interest before receipt will calculate the U.S. dollar value of accrued interest based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder of Class A Notes or Class B Notes can elect to calculate the U.S. dollar value of accrued interest based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

Accrual basis U.S. Holders of Class A Notes or Class B Notes also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Class A Notes or Class B Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of such payments when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Original Issue Discount. In addition, if the discount at which a substantial amount of the Class A Notes or Class B Notes is first sold to investors is at least 0.25 per cent. of the principal amount of the Class, multiplied by the number of complete years to the weighted average maturity of the Class, then the Issuer will treat the Class as issued with original issue discount ("**OID**") for U.S. federal income tax purposes. The total amount of OID with respect to a Note within the Class will equal the excess of the principal amount of the Note over its issue price (the first price at which a substantial amount of Notes within the Class was sold to investors). U.S. Holders of Notes that are issued with OID will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders of the Class A Notes or Class B Notes will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder of the Class A Notes or Class B Notes can elect to calculate the U.S. dollar value of OID based on the euro-to U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. It is possible, however, that the IRS could assert and a court could ultimately hold that some other method of accruing OID should apply. Accruals of OID on the Class

A-1 Notes and the Class B-1 Notes will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of EURIBOR used in setting the interest rate for the first Accrual Period, and then adjusting the accrual for each subsequent Accrual Period based on the difference between the value of EURIBOR used in setting interest for that subsequent Accrual Period and the assumed rate.

U.S. Holders of Class A Notes or Class B Notes that are issued with OID also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Class A Notes or Class B Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of the corresponding amounts of OID when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Sale, Exchange or Retirement. In general, a U.S. Holder will have a basis in its Note equal to the U.S. dollar value of the cost of such Note (based, in the case of a Class A Note or a Class B Note, on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by the U.S. dollar value of any such amount includable in income as OID (as described above), and (ii) reduced by the U.S. dollar value of payments of principal on such Note (based, in the case of a Class A Note or a Class B Note, on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received).

A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class A Note or Class B Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note on the date that the Note was acquired (based on the euro-to-U.S. dollar spot exchange rate on such date). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class A Note or Class B Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement (less any accrued and unpaid interest, which will be taxable as described above) and the holder's tax basis in such Note. In the case of a Class A Note or Class B Note, any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. Holder's basis in such Note. Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Class C Notes, Class D Notes, Class E Notes and Class F Notes.

Original Issue Discount. The Issuer will treat the Class C Notes, Class D Notes, Class E Notes and Class F Notes as issued with OID for U.S. federal income tax purposes. The total amount of OID with respect to a Class C Note, Class D Note, Class E Note or Class F Note will equal the sum of all payments to be received under such Note less its issue price (the first price at which a substantial amount of Notes within the applicable Class was sold to investors). U.S. Holders of the Class C Notes, Class D Notes, Class E Notes, or Class F Notes will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder can elect to calculate the U.S. dollar value of OID based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the euro-to-U.S. dollar spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder of Class C Notes, Class D Notes, Class E Notes or Class F Notes will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. Accruals of OID on the Class C Notes, Class D Notes, Class E Notes, and Class F Notes will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of EURIBOR used in setting the interest rate for the first Payment Date, and then adjusting the accrual for each subsequent Payment Date based on the difference between the value of EURIBOR used in setting interest for that subsequent Payment Date and the assumed rate. It is possible, however, that the IRS could assert, and a court could ultimately hold, that some other method of accruing OID on the Class C Notes, Class D Notes, Class E Notes, or Class F Notes should apply.

U.S. Holders of Class C Notes, Class D Notes, Class E Notes, or Class F Notes also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Notes to the extent that the U.S. dollar value of such payments (based on the euro-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of the corresponding amounts of OID when they were accrued. The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Sale, Exchange or Retirement. In general, a U.S. Holder of a Class C Note, Class D Note, Class E Note or Class F Note will have a basis in such Note equal to the U.S. dollar value of the cost of such Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by any amount includable in income by such U.S. Holder as OID (as described above), and (ii) reduced by the U.S. dollar value of any payments received on such Note (based on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received). A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class C Note, Class D Note, Class E Note or Class F Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note on the date that the Note was acquired (based on the euro-to-U.S. dollar spot exchange rate on such date). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class C Note, Class D Note, Class E Note or Class F Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement and the holder's tax basis in such Note. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. Holder's basis in such Note. Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Alternative Characterisation.

It is possible that the Rated Notes could be treated as "contingent payment debt instruments" for U.S. federal income tax purposes. In this event, the timing of a U.S. Holder's OID inclusions could differ from that described above and any gain recognised on the sale, exchange, or retirement of such Notes would be treated as ordinary income and not as capital gain.

Receipt of Euro.

U.S. Holders will have a tax basis in any euro received in respect of the Notes on a sale, redemption, or other disposition of the Notes equal to the U.S. dollar value of the euro on that date. Any gain or loss recognised on a sale, exchange, or other disposition of those euro generally will be ordinary income or loss. A U.S. Holder that converts the euro into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes.

As described above under "*U.S. Federal Tax Treatment of the Notes*," the Issuer intends to treat the Class E Notes and Class F Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes, and the Trust Deed requires Noteholders to treat the Class E Notes and Class F Notes as indebtedness for U.S. federal, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that the Class E Notes and Class F Notes are equity in the Issuer for U.S. federal income tax purposes.

If the Class E Notes or Class F Notes are treated as equity in the Issuer, because the Issuer will be a passive foreign investment company (a "**PFIC**") for U.S. federal income tax purposes, the U.S. dollar value of gain on the sale of the Class E Notes and/or the Class F Notes could be treated as ordinary income and subject to an additional tax in the nature of interest, and the U.S. dollar value of certain interest on such Notes could be subject to the additional tax. A U.S. Holder of such Notes might be able to avoid the ordinary income treatment and additional tax by writing "Protective QEF Election" on the top of an IRS Form 8621, filling out the form, checking Box A (Election to Treat the PFIC as a QEF) and filing the form with the IRS with respect to their Class E Notes and the Class F Notes, or by filing a protective statement with the IRS preserving the U.S. Holder's ability to elect retroactively to treat the Issuer as a "qualified electing fund" (a "**QEF**") and so electing at the appropriate time. The Issuer will provide, upon request and at such U.S. Holder's expense, all information and documentation that a U.S. Holder making a protective QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes. If the Class E Notes or Class F Notes are treated as equity, a U.S. Holder also will be required to file an annual PFIC report.

If the Issuer holds any Collateral Obligations that are treated as equity in a foreign corporation for U.S. federal income tax purposes, and if the Class E Notes or Class F Notes are treated as equity in the Issuer, U.S. Holders of Class E Notes or Class F Notes could be treated as owning an indirect equity interest in a PFIC or a controlled foreign corporation ("**CFC**") and could be subject to certain adverse tax consequences. In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC. Thus, there can be no assurance that a U.S. Holder would be able to make the election with respect to any indirectly held PFIC.

In addition, if the Class E Notes or Class F Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Holder of such Notes would be required to file an IRS Form 926 with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the U.S. Holder's purchase of Notes, at least 10 per cent. by value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such purchase exceeds $100,000. U.S. Holders may wish to file a "protective" IRS Form 926 with respect to their Class E Notes and Class F Notes.

Finally, if the Class E Notes or Class F Notes represent equity in the Issuer, a U.S. Holder of such Notes will be required to file an IRS Form 5471 with the IRS if the U.S. Holder is treated as owning (actually or constructively) at least 10 per cent. by value of the equity of the Issuer for U.S. federal income tax purposes, and may be required to provide additional information regarding the Issuer annually on IRS Form 5471 if the U.S. Holder is treated as owning (actually or constructively) more than 50 per cent. by value of the equity of the Issuer for U.S. federal income tax purposes. U.S. Holders may wish to file a "protective" IRS Form 5471 with respect to their Class E Notes and Class F Notes.

Prospective U.S. Holders of Class E Notes and Class F Notes should consult with their tax advisors regarding whether to make protective filings of IRS Forms 8621, 926 and 5471 with respect to such Notes and the consequences to them if the Class E Notes or Class F Notes are treated as equity in the Issuer.

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

Investment in a Passive Foreign Investment Company. The Issuer will constitute a PFIC for U.S. federal income tax purposes, and, except to the extent that the Issuer is also a CFC and a U.S. Holder is a 10% United States shareholder in the Issuer (as described below under "*Investment in a Controlled Foreign Corporation*"), U.S. Holders of Subordinated Notes will be subject to the PFIC rules. U.S. Holders should consider making an election to treat the Issuer as a QEF. Generally, a U.S. Holder makes a QEF election on IRS Form 8621, attaching a copy of that form to its U.S. federal income tax return for the first taxable year for which it held its Subordinated Notes. If a U.S. Holder makes a timely QEF election with respect to the Issuer, the electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's ordinary earnings and (ii) as long-term capital gain, the

U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's net capital gain, whether or not distributed. A U.S. Holder will not be eligible for the dividends received deduction in respect of such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to the U.S. Holder and may not be carried back or forward in computing the Issuer's ordinary earnings and net capital gain in other taxable years. If applicable, the rules pertaining to a CFC, discussed below generally override those pertaining to a PFIC with respect to which a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, the electing U.S. Holder may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income, subject to a nondeductible interest charge on the deferred amount. In this respect, prospective purchasers of Subordinated Notes should be aware that it is expected that the Collateral Obligations will include high-yield debt obligations and such instruments may have substantial OID, the cash payment of which may be deferred, perhaps for a substantial period of time. In addition, the Issuer may use proceeds from the sale of Collateral Obligations to retire other classes of Notes. As a result, in any given year, the Issuer may have substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

The Issuer will provide, upon request, all information and documentation that a U.S. Holder of Subordinated Notes making a QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of Subordinated Notes (other than certain U.S. Holders that are subject to the rules pertaining to a CFC, described below) that does not make a timely QEF election will be required to report the U.S. dollar value of any gain on the disposition of its Subordinated Notes as ordinary income, rather than capital gain, and to compute the tax liability on such gain and any "Excess Distribution" (as defined below) received in respect of the Subordinated Notes as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Subordinated Notes. The U.S. Holder will be subject to tax on such gain or Excess Distributions at the highest ordinary income tax rate for each taxable year in which such gain or Excess Distributions are treated as having been earned, other than the current year (for which the U.S. Holder's regular ordinary income tax rate will apply), regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for a nondeductible interest charge as if such income tax liabilities had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganisations and use of the Subordinated Notes as security for a loan may be treated as taxable dispositions of such Subordinated Notes. In addition, a stepped-up basis in the Subordinated Notes will not be available upon the death of an individual U.S. Holder who has not made a timely QEF election with respect to the Issuer.

An "**Excess Distribution**" is the amount by which the U.S. dollar value of distributions during a taxable year in respect of a Note exceeds 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period for the Note).

In many cases, the U.S. federal income tax on any gain on disposition or receipt of Excess Distributions is likely to be substantially greater than the tax if a timely QEF election is made. A U.S. HOLDER OF A SUBORDINATED NOTE SHOULD STRONGLY CONSIDER MAKING A QEF ELECTION WITH RESPECT TO THE ISSUER.

Investment in a Controlled Foreign Corporation. The Issuer will be a CFC if more than 50 per cent. of the equity interests in the Issuer, measured by reference to combined voting power or value, are owned directly, indirectly, or constructively by 10 per cent. United States shareholders. For this purpose, a "**10 per cent. United States shareholder**" is any United States person that possesses directly, indirectly, or constructively 10 per cent. or more of the combined voting power of all classes of equity in the Issuer. It is likely that the Subordinated Notes will be treated as voting securities. In this case, a U.S. Holder of Subordinated Notes possessing directly, indirectly, or constructively 10 per cent. or more of the sum of the aggregate outstanding principal amount of the Subordinated Notes would be treated as a 10 per cent. United States shareholder. If more than 50 per cent. of the Subordinated Notes (and any other class of Notes treated as equity for U.S. federal income tax purposes), determined with respect to aggregate value or aggregate outstanding principal amount, are owned directly, indirectly, or constructively by such 10 per cent. United States shareholders, the Issuer will be treated as a CFC. If, for any given taxable year, the Issuer is treated as a CFC, a 10 per cent. United States shareholder of the Issuer will be required to include as ordinary income an amount equal to the U.S. dollar value of that person's *pro rata* share of the Issuer's "subpart F income" at the end of such taxable year. Among other

items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, all of its income would be subpart F income.

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, the Issuer will not be treated as a PFIC with respect to the U.S. Holder for the period during which the Issuer remains a CFC and the U.S. Holder remains a 10 per cent. United States shareholder of the Issuer (the "qualified portion" of the U.S. Holder's holding period for the Subordinated Notes). As a result, to the extent the Issuer's subpart F income includes net capital gains, such gains will be treated as ordinary income to the 10 per cent. United States shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules. If the qualified portion of the U.S. Holder's holding period for the Subordinated Notes subsequently ceases (either because the Issuer ceases to be a CFC or the U.S. Holder ceases to be a 10 per cent. United States shareholder), then solely for purposes of the PFIC rules, the U.S. Holder's holding period for the Subordinated Notes will be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder has owned any Subordinated Notes for any period of time prior to such qualified portion and has not made a QEF election with respect to the Issuer. In that case, the Issuer will again be treated as a PFIC which is not a QEF with respect to the U.S. Holder and the beginning of the U.S. Holder's holding period for the Subordinated Notes will continue to be the date upon which the U.S. Holder acquired the Subordinated Notes, unless the U.S. Holder makes an election to recognise gain with respect to the Subordinated Notes and a QEF election with respect to the Issuer. In the event that the Issuer is a CFC, then, at the request and expense of any U.S. Holder that is a 10 per cent. United States shareholder with respect to the Issuer, the Issuer will provide the information necessary for the U.S. Holder to comply with any filing requirements that arise as a result of the Issuer's classification as a CFC.

Indirect Interests in PFICs and CFCs. If the Issuer owns a Collateral Obligation that is treated as equity in a foreign corporation for U.S. federal income tax purposes, U.S. Holders of Subordinated Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences.

In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC, and thus there can be no assurance that a U.S. Holder will be able to make the election with respect to any indirectly held PFIC.

Accordingly, if the U.S. Holder has not made a QEF election with respect to the indirectly held PFIC, the U.S. Holder would be subject to the adverse consequences described above under "*Investment in a Passive Foreign Investment Company*" with respect to any Excess Distributions of such indirectly held PFIC, any gain indirectly realised by such U.S. Holder on the sale by the Issuer of such PFIC, and any gain indirectly realised by such U.S. Holder with respect to the indirectly held PFIC on the sale by the U.S. Holder of its Subordinated Notes (which may arise even if the U.S. Holder realises a loss on such sale). Moreover, if the U.S. Holder has made a QEF election with respect to the indirectly held PFIC, the U.S. Holder will be required to include in income the U.S. dollar value of its *pro rata* share of the indirectly held PFIC's ordinary earnings and net capital gain as if the indirectly held PFIC were held directly (as described above), and the U.S. Holder will not be permitted to use any losses or other expenses of the Issuer to offset such ordinary earnings and/or net capital gains. Accordingly, if any of the Collateral Obligations are treated as equity interests in a PFIC, U.S. Holders could experience significant amounts of "phantom" income with respect to such interests.

If a Collateral Obligation is treated as an indirect equity interest in a CFC and a U.S. Holder owns directly, indirectly, or constructively 10 per cent. or more of the CFC's voting power for U.S. federal income tax purposes, the U.S. Holder generally will be required to include the U.S. dollar value of its *pro rata* share of the CFC's "subpart F income" as ordinary income at the end of each taxable year, as described above under "*Investment in a Controlled Foreign Corporation*," regardless of whether the CFC distributed any amounts to the Issuer during such taxable year or whether the U.S. Holder made a QEF election with respect to the indirectly held CFC. In addition, the U.S. dollar value of gain realised by the U.S. Holder on the sale by the Issuer of the CFC, and the U.S. dollar value of gain realised by the U.S. Holder on the sale by the U.S. Holder of its Subordinated Notes (as described below), generally will be treated as ordinary income to the extent of the U.S. Holder's *pro rata* share of the CFC's current and accumulated earnings and profits, reduced by any

amounts previously taxed pursuant to the CFC rules. U.S. Holders should consult their own tax advisors regarding the tax issues associated with such investments in light of their own individual circumstances.

Phantom Income. U.S. Holders may be subject to U.S. federal income tax on certain amounts that exceed the distributions they receive on the Subordinated Notes. For example, if the Issuer is a CFC and a U.S. Holder is a 10 per cent. United States shareholder with respect to the Issuer, or a U.S. Holder makes a QEF election with respect to the Issuer, the U.S. Holder will be subject to federal income tax with respect to its share of the Issuer's income and gain (to the extent of the Issuer's "earnings and profits"), which may exceed the Issuer's distributions. It is expected that the Issuer's income and gain (and earnings and profits) will exceed cash distributions with respect to (i) debt instruments that were issued with OID and are held by the Issuer, and (ii) the acquisition at a discount of the Rated Notes by the Issuer (including by reason of a Refinancing or any deemed exchange that occurs for U.S. federal income tax purposes as a result of a modification of the Trust Deed). U.S. Holders should consult their tax advisors regarding the timing of income and gain on the Subordinated Notes.

Distributions. The treatment of actual distributions of cash on the Subordinated Notes will vary depending on whether a U.S. Holder has made a timely QEF election with respect to the Issuer (as described above). See "*Investment in a Passive Foreign Investment Company*." If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to such U.S. Holder. Distributions in excess of such previously taxed amounts will be taxable to U.S. Holders as ordinary income upon receipt, to the extent of any remaining amounts of untaxed current and accumulated earnings and profits of the Issuer. Distributions in excess of previously taxed amounts and any remaining current and accumulated earnings and profits of the Issuer will be treated first as a nontaxable return of capital, to the extent of the U.S. Holder's adjusted tax basis in the Subordinated Notes (as described below under "*Sale, Redemption, or Other Disposition*"), and then as a disposition of a portion of the Subordinated Notes. In addition, a U.S. Holder will recognise exchange gain or loss with respect to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) equal to the difference, if any, between the U.S. dollar value of the distribution on the date received and the U.S. dollar value of the previously taxed amount. Any exchange gain or loss will generally be treated as ordinary income or loss.

If a U.S. Holder has not made a timely QEF election with respect to the Issuer then, except to the extent that distributions are attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Subordinated Notes may constitute Excess Distributions, taxable as described above under the heading "*Investment in a Passive Foreign Investment Company*." In addition, distributions in excess of a U.S. Holder's adjusted tax basis in the Subordinated Notes would be treated as a disposition of a portion of the Subordinated Notes and subject to an additional tax reflecting a deemed interest charge, as described below under "*—Sale, Redemption, or Other Disposition*".

Distributions on the Subordinated Notes will not be eligible for the dividends received deduction, and will not qualify as "qualified dividend income."

Sale, Redemption, or Other Disposition. In general, a U.S. Holder of Subordinated Notes will recognise gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes (including a distribution that is treated as a disposition of the Subordinated Notes, as described above under "*Distributions*") equal to the difference between the U.S. dollar value of the amount realised and the U.S. Holder's adjusted tax basis in the Subordinated Notes. The U.S. dollar value of the amount realised generally is based on the euro-to-U.S. dollar spot exchange rate on the date of the disposition. However, if the Subordinated Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Holder uses the cash method of accounting, then the U.S. dollar value of the amount realised is based instead on the euro-to-U.S. dollar spot exchange rate on the settlement date for the sale. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply it consistently from year to year.

A U.S. Holder's tax basis in its Subordinated Notes initially will equal the U.S. dollar value of the amount paid by the U.S. Holder for the Subordinated Notes, determined under rules analogous to the rules for determining the U.S. dollar value of the amount realised. The U.S. Holder's tax basis in the Subordinated Notes will be increased by amounts taxable to the U.S. Holder by reason of any QEF election, or by reason of the CFC rules, as applicable, and decreased by the U.S. dollar value of actual distributions by the Issuer that are deemed to consist of such previously taxed amounts or are treated as a nontaxable return of capital, as described above under "*Distributions*".

If the U.S. Holder has made a timely QEF election with respect to the Issuer, then, except to the extent that the Issuer is treated as a CFC and the U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, gain or loss upon the sale, redemption, or other disposition of the Subordinated Notes generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the QEF election from the date of each deemed distribution pursuant to the election (based on the euro-to-U.S. dollar spot exchange rate on that date) to the date of the disposition. Any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the Subordinated Notes for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

If a U.S. Holder does not make a timely QEF election with respect to the Issuer as described above and is not subject to the CFC rules, any gain realised on the sale, redemption, or other disposition of a Subordinated Note (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See "*Investment in a Passive Foreign Investment Company.*"

If the Issuer is treated as a CFC and a U.S. Holder is treated as a 10 per cent. United States shareholder of the Issuer, then any gain or loss realised by the U.S. Holder upon a sale, redemption, or other disposition of the Subordinated Notes, other than gain or loss subject to the PFIC rules, if applicable, generally will be treated as foreign currency exchange gain or loss, and taxable as ordinary income or loss, to the extent of the positive or negative change in the U.S. dollar value of any amounts previously taxed pursuant to the CFC rules from the date of each deemed distribution pursuant to the CFC rules (based on the euro-to-U.S. dollar spot exchange rate on that date) to the date of the disposition. Any gain in excess of foreign currency exchange gain will be treated as ordinary income to the extent of the U.S. dollar value of the U.S. Holder's *pro rata* share of the Issuer's previously untaxed earnings and profits.

In addition, as described above under "*Indirect Interests in PFICs and CFCs*," the U.S. dollar value of any gain attributable to interests in PFICs or CFCs owned by the Issuer may be treated as ordinary income to a U.S. Holder upon the sale, redemption, or other disposition of the U.S. Holder's Subordinated Notes.

Receipt of Euro. U.S. Holders will have a tax basis in any euro received in respect of the Notes on a sale, redemption, or other disposition of the Notes equal to the U.S. dollar value of the euro on that date. Any gain or loss recognised on a sale, exchange, or other disposition of those euro generally will be ordinary income or loss. A U.S. Holder that converts the euro into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Transfer and Information Reporting Requirements. A U.S. Holder that purchases the Subordinated Notes for cash will be required to file an IRS Form 926 or similar form with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the transfer, at least 10 per cent. by vote or value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such transfer exceeds $100,000.

A U.S. Holder that is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes may be required to file an information return on IRS Form 5471, and provide additional information regarding the Issuer annually on IRS Form 5471 if it is treated as owning (actually or constructively) more than 50 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes.

In addition, U.S. Holders generally will be required to file an annual PFIC report.

U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to their U.S. tax returns. U.S. Holders should consult their tax advisors with respect to these and any other reporting requirements that may apply with respect to their acquisition or ownership of the Subordinated Notes.

Specified Foreign Financial Asset Reporting

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

and certain other "specified foreign financial assets" exceeds $50,000. Significant penalties can apply if a U.S. Holder is required to disclose its Notes and fails to do so.

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

U.S. Holders that are individuals or estates and certain trusts are subject to an additional 3.8 per cent. tax on all or a portion of their "net investment income," or "undistributed net investment income" in the case of an estate or trust, which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married taxpayer filing a joint return (or a surviving spouse), $125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust (which, in 2015, is $12,300). The 3.8 per cent. Medicare tax is determined in a different manner than the regular income tax and special rules apply with respect to the PFIC and CFC rules described above. U.S. Holders should consult their advisors with respect to the 3.8 per cent. Medicare tax.

FBAR Reporting

A U.S. Holder of Subordinated Notes (or any Class of Notes that are treated as equity in the Issuer for U.S. federal income tax purposes) may be required to file FinCEN Form 114 with respect to foreign financial accounts in which the Issuer has a financial interest if the U.S. Holder holds more than 50 per cent. of the aggregate outstanding principal amount of such Notes or is otherwise treated as owning more than 50 per cent. of the total value or voting power of the Issuer's outstanding equity.

Reportable Transactions

A participant in a "reportable transaction" is required to disclose its participation in such a transaction on IRS Form 8886. Any foreign currency exchange loss in excess of $50,000 recognised by a U.S. Holder may be subject to this disclosure requirement. Failure to comply with this disclosure requirement can result in substantial penalties. U.S. Holders should consult their advisors with respect to the requirement to disclose reportable transactions.

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

In general, payments on the Notes to a Non-U.S. Holder that provides appropriate tax certifications to the Issuer and gain realised on the sale, exchange or retirement of the Notes by the Non-U.S. Holder will not be subject to U.S. federal income or withholding tax unless (i) such income is effectively connected with a trade or business conducted by such Non-U.S. Holder in the United States, or (ii) in the case of gain, such Non-U.S. Holder is a nonresident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied.

Information Reporting and Backup Withholding

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

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

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

Backup withholding is not an additional tax and may be refunded (or credited against the holder's U.S. federal income tax liability, if any), provided that certain required information is furnished. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns also

may be made available to the tax authorities in the country in which a Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income, 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 legislation that is expected to require the Issuer to provide the name, address, and taxpayer identification number of, and certain other information with respect to, certain holders of Notes to the Netherlands Tax and Customs Administration, which would then provide this information to the IRS. The Issuer expects to comply with the intergovernmental agreement and the legislation. However, there can be no assurance that the Issuer will be able to do so. Moreover, the intergovernmental agreement or the implementing Dutch legislation could be amended to require the Issuer to withhold on "passthru" payments to holders that fail to provide certain information to the Issuer or are certain "foreign financial institutions" that do not comply with FATCA.

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

Future Legislation and Regulatory Changes Affecting Noteholders

Future legislation, regulations, rulings or other authority could affect the federal income tax treatment of the Issuer and Noteholders. The Issuer cannot predict whether and to what extent any such legislative or administrative changes could change the tax consequences to the Issuer and to the Noteholders. Prospective Noteholders should consult their tax advisors regarding possible legislative and administrative changes and their effect on the federal tax treatment of the Issuer and their investment in the Notes.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR NOTEHOLDER. EACH PROSPECTIVE NOTEHOLDER IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE NOTEHOLDER'S OWN CIRCUMSTANCES.

EU Directive on the Taxation of Savings Income

Under Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), each member state of the European Union is required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such person for, an individual resident or certain entities (as described in Article 4.2 of the EU Savings Directive, each a "**Residual Entity**") established in that other member state; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments. The end of this transitional period depends on the conclusion of certain other agreements relating to exchange of information with certain other countries.

A number of non-EU countries including Switzerland ("**Third Countries**") and certain dependent or associated territories of certain member states ("**Dependent and Associated Territories**") have adopted similar measures (either provision of information or transitional withholding) in relation to payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident or Residual Entities established in another member state, or certain Third Countries or Dependent and Associated Territories.

The Council of the European Union formally adopted a Council Directive amending the EU Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. EU Member States have until 1 January 2016 to adopt national laws to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of

the EU Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

However, the European Commission has proposed the repeal of the EU 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 EU 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). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive. Investors who are in any doubt as to their position should consult their professional advisers.

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on "employee benefit plans" subject thereto including entities (such as collective investment funds, insurance company separate accounts and some insurance company general accounts) the underlying assets of which include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of prudence, diversification, and that investments be made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as "**parties in interest**" under ERISA or "disqualified persons" under the Code (collectively, "Parties in Interest")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and certain non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to substantially similar rules under federal, state, local or non-U.S. laws, and may be subject to the prohibited transaction rules of Section 503 of the Code.

Under ERISA and a regulation issued by the United States Department of Labor (29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, (the "**Plan Asset Regulation**")), if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established (a) that the entity is an "operating company," as that term is defined in the Plan Asset Regulation, or (b) that less than 25 per cent. of the total value of each class of equity interest in the entity, disregarding the value of any equity interests held by persons (other than Benefit Plan Investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (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.

If the underlying assets of the Issuer are deemed to be Plan assets, the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of Parties in Interest, under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the 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 such providers).

The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although it is not free from doubt, the Class A Notes, Class B Notes, Class C Notes and the Class D Notes offered hereby will be treated by the Issuer as indebtedness with no substantial equity features for purposes of ERISA. The treatment of the Class A Notes, Class B Notes, the 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 and to a greater extent, the Class F Notes and the Subordinated Notes for purposes of the Plan Asset Regulation are less certain. The Class E Notes, the Class F Notes and the Subordinated Notes may be considered "equity interests" for purposes of the Plan Asset Regulation. Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in the Class E Notes, the Class F Notes and the Subordinated Notes. In reliance on representations

deemed made, by investors in the Class E Notes, the Class F Notes and the Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in each of the Class E Notes, the Class F Notes and the Subordinated Notes to less than 25 per cent. of the total value of the Class E Notes, the Class F Notes and the Subordinated Notes (determined separately by class) at all times (excluding for purposes of such calculation any Class E Notes, Class F Notes and Subordinated Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E Note, a Class F Note or a Subordinated Note will be required to make 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 Subordinated Note will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25 per cent. or more of the total value of the Class E Notes, the Class F Notes or the Subordinated Notes (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, any Class E Notes, Class F Notes and Subordinated Notes held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25 per cent. Limitation.

Even assuming the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Subordinated Notes are not treated as equity interests in the Issuer for purposes of ERISA, it is possible that an investment in such Notes by a Benefit Plan Investor (or with the assets of a Benefit Plan Investor) could be treated as a prohibited transaction under ERISA and/or Section 4975 of the Code. Such a prohibited transaction, however, may be subject to a statutory or administrative exemption. Even if an exemption were to apply, such exemption may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with an investment in the Notes by a Benefit Plan Investor.

Each of the Issuer, the Placement Agent, the Collateral Manager, or their respective Affiliates may be the sponsor of, or investment adviser with respect to one, or more Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, whether or not the Notes are treated as equity interests in the Issuer, the purchase of such Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, the Notes may not be acquired using the assets of any Plan if any of the Issuer, the Placement Agent, 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 Notes with assets of its general account should consider such purchase and the insurance company's ability to make the representations described above in light of John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank, Section 401(c) of ERISA and a regulation promulgated by the U.S. Department of Labor under that Section of ERISA, 29 C.F.R. Section 2550.401c-1.

Each purchaser and transferee of a Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note will be deemed to have represented, warranted and agreed that (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Similar Law**"), and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Similar Law, and (ii) it will not sell or transfer such Notes (or interests therein) to a transferee acquiring such Notes (or interests therein) unless the transferee makes, or is deemed to make, the foregoing representations, warranties and agreements described in clause (i) hereof.

Each initial investor (other than the Placement Agent) in a Class E Note, Class F Note or a Subordinated Note purchased on the Issue Date will be required to certify as to, among other matters, its status under the Securities Act, the Investment Company Act and ERISA.

Each purchaser or transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Regulation S Global Certificate or a Rule 144A Global Certificate will be deemed to represent, warrant and agree that (i) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, 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) and, unless the written consent of the Issuer to the contrary is obtained, holds such Certificate in the form of a Definitive Certificate; (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to any Similar Law and (2) its acquisition, holding and disposition of such Notes (or interest therein) will not constitute or result in a non-exempt violation of any Similar Law and (iii) agree to certain transfer restrictions regarding its interests in such Notes.

If it is a purchaser or transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate, it will be required to provide 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) and (i) represent and warrant in writing to the Issuer (1) whether or not, for so long as it holds such Notes or any 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 Notes or any interest therein, it is 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 Notes 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. plan or other plan, (x) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or 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 Similar Law and (y) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Similar Law, and (ii) agree to certain transfer restrictions regarding its interest in such Notes.

No transfer of an interest in Class E Notes, Class F Notes or Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation described above to be exceeded with respect to the Class E Notes, the Class F Notes or Subordinated Notes (determined separately by class).

Any Plan fiduciary considering whether to acquire a Note on behalf of a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code should consult with its counsel regarding the potential consequences of such investment, the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code and/or similar provisions of Similar Law, and the scope of any available exemption relating to such investment.

The sale of Notes to a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code in accordance herewith 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

Goldman Sachs International (in its capacity as Placement Agent, the "**Placement Agent**") has agreed with the Issuer, subject to the satisfaction of certain conditions, to facilitate the sale by the Issuer of each Class of Notes (other than the Retention Notes and the Notes sold directly by the Issuer to a Collateral Manager Related Party) (the "**Placed Notes**") to investors with the initial placement of each Class of Notes (other than the Retention Notes and the Notes sold directly by the Issuer to a Collateral Manager Related Party) pursuant to the Placement Agency Agreement. Pursuant to the terms of the Placement Agency Agreement the Issuer has also granted an indemnity to the Placement Agent. The Placement Agency Agreement entitles the Placement Agent to terminate it in certain circumstances prior to payment being made to the Issuer.

The Collateral Manager has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Retention Notes pursuant to the Retention Notes Purchase Agreement and a Collateral Manager Related Party has agreed with the Issuer to subscribe for certain of the Notes. The obligations of the Collateral Manager to purchase and pay for the Retention Notes shall be subject to certain conditions.

The Placement Agent may offer the Placed Notes and the Issuer may offer the Retention Notes and the Notes sold to a Collateral Manager Related Party, in each case at prices as may be negotiated at the time of sale which may vary among different purchasers.

No action has been or will be taken by the Issuer or the Placement Agent that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any other offering material in relation to the Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Placement Agent.

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons or to U.S. Residents except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in the manner so as not to require the registration of the Issuer as an "investment company" pursuant to the Investment Company Act.

The Issuer has been advised that the Placement Agent proposes to offer and place the Placed Notes (a) to non-U.S. Persons in offshore transactions in reliance on Regulation S and in accordance with applicable law and (b) to U.S. Persons (directly or through its U.S. broker dealer Affiliate) in reliance on Rule 144A only to or for their own account or for the accounts of QIBs/QPs.

The Notes sold in reliance on Rule 144A will be issued in Minimum Denominations of €250,000 and Authorised Integral Amounts of €1,000 in excess thereof. Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Placement Agent.

The Placement Agent has acknowledged and agreed that it will not offer, sell or deliver any Regulation S Notes to, or for the account or benefit of, any U.S. Person or U.S. Resident as part of their distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Regulation S Notes a confirmation or other notice setting forth the prohibition on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, any U.S. Person or U.S. Resident.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes of each Class on the Global Exchange Market of the Irish Stock Exchange. The Issuer and the Placement Agent reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Offering Circular to any such U.S. Person or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

The Placement Agent has represented and agreed that:

(a) United Kingdom: The Placement Agent, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation 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 Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

(b) 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 Placement Agent has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time:

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

(ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

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

(c) United States:

(i) The Placement Agent understands that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except with respect to the Rule 144A Notes only, to a person that is a QIB/QP in reliance on Rule 144A, or pursuant to any other exemption from the registration requirements of the Securities Act.

(ii) The Placement Agent represents, warrants and agrees that:

(1) it is a QIB/QP and that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment within the United States or to, or for the account or benefit of, U.S. Persons except to persons (including any other distributor and any dealers) that are or that it reasonably believes are QIB/QPs, in reliance on Rule 144A;

(2) it has sold the Regulation S Notes, and will offer and sell the Regulation S Notes, (x) as part of their distribution at any time and (y) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the "**distribution compliance period**"), only in accordance with Rule 903 of Regulation S, and it agrees that, at or prior to confirmation of any sale of Regulation S Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Securities Act. Terms used above have the meaning given to them by Regulation S."

(3) neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Regulation S Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S;

(4) neither it, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) in connection with any offer or sale of the Notes in the United States; and

(5) any offers or sale of the Notes made in the United States will be made by a registered broker-dealer which may include Affiliates of the Placement Agent, who are registered as U.S. broker-dealers under the Exchange Act.

(d) Ireland: The Placement Agent has represented and agreed that:

(i) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European 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 Notes, otherwise than in conformity with the provisions of the Companies Acts 1963 to 2012 (as amended), the Central Bank Acts 1942 to 2012 (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 Notes, 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.

(e) Netherlands: The Placement Agent has represented and agreed that it will not make an offer of the Notes which are the subject of the offering contemplated by this Offering Circular to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive, unless such offer is made exclusively to legal entities which are qualified investors (as defined in the Financial Markets Supervisions Act (*Wet op het financieel toezicht*) and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands, provided that no such offer of Notes shall require the Issuer or the Placement Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "offer of Notes to the public" in relation to any Notes in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the section entitled "European Economic Area".

(f) Singapore: This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 or Section 304 of the Notes and Futures Act, Chapter 289 of Singapore (the "**SFA**") or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(g) South Korea: The Notes may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale directly or indirectly, in South Korea or to any resident of South Korea ("**South Korean Residents**") except pursuant to the applicable laws and regulations of South Korea, including the Financial Investment Services and Capital Markets Act ("**FSCMA**"), the Foreign Exchange Transaction Law ("**FETL**") and their subordinate decrees and regulations thereunder. The Notes may not be re-sold to South Korean Residents unless the purchaser of the Notes complies with all applicable regulatory requirements for such purchase of Notes (including but not limited to government approval or reporting requirements under the FETL and its subordinate decrees and regulations). The Notes have not been offered or sold by way of public offering under the FSCMA, nor registered with the Financial Services Commission of South Korea for public offering. None of the Notes have been or will be listed on the Korea Exchange. In the case of a transfer of the Notes to any person in South Korea during a period ending one year from the issuance date, a holder of the Notes may transfer the Notes only by transferring its entire holdings of Notes to only "accredited investors" in South Korea as referred to in Article 11(1) of the Enforcement Decree of the FSCMA.

(h) Taiwan: No person or entity in Taiwan is authorised to distribute or otherwise intermediate the offering of the Notes or the provision of information relating to the Notes, including, but not limited to, this Offering Circular. The Notes may not be sold, offered or issued to Taiwan resident investors unless they are made available outside Taiwan for purchase by such investors outside Taiwan. Any subscriptions of Notes shall only become effective upon acceptance by the Issuer or the Placement Agent outside Taiwan and shall be deemed a contract entered into in the jurisdiction of incorporation of the Issuer or Placement Agent, as the case may be, unless otherwise specified in the subscription documents relating to the Notes signed by the investors.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed that such person acknowledges that this Offering Circular is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser of Notes represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and Notes represented by Definitive Certificates will be required to represent and agree, as follows:

1. The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Notes for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein and under the "**Notice to Investors**" to any subsequent transferees.

2. The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (2) will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.

3. The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.

4. In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, the Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator is acting as a fiduciary or financial adviser 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 Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator other than in this Offering Circular for such Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Placement Agent, 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 Placement Agent, 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 30 April 1996, the purchaser has received the necessary consent from its beneficial owners; (c) is not a participant-directed employee plan (such as a 401(k) plan), or any other type of plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A) or trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, unless investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan and not by beneficiaries of the plan; and (d) is not a broker dealer that owns and invests on a discretionary basis less than USD 25,000,000 in securities of unaffiliated issues. Further, the purchaser agrees with respect to itself and each such account: (x) that it shall not hold such Rule 144A Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes; (y) that it shall not sell participation interests in the Rule 144A Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Rule 144A Notes; and (z) that the Rule 144A Notes purchased directly or indirectly by it constitute an investment of no more than 40 per cent. of the purchaser's and each such account's assets (except when each beneficial owner of the purchaser and each such account is a QP). The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (5) will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.

6. (a) With respect to the purchase, holding and disposition of any Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Similar Law, and (ii) it will not sell or transfer such Notes (or interests therein) to an acquiror acquiring such Notes (or interests therein) unless the acquiror makes, or is deemed to make, the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(b) (i) With respect to the Class E Notes, Class F Notes and Subordinated Notes 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 Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, 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) and, unless the written consent of the Issuer to the contrary is obtained, holds such Note in the form of a Definitive Certificate and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such

Notes 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 Notes or interest therein will not be, subject to any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or 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 Similar Law and (2) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Similar Law. A transferee of a Class E Note, Class F Note or Subordinated Note forming part of the Retention Notes in the form of a Rule 144A Global Certificate, shall represent whether or not it is a Controlling Person and such transfer shall not cause 25 per cent. or more of the total value of the Class E Notes, Class F Notes or Subordinated Notes (determined separately by class) to be held by Benefit Plan Investors, disregarding Class E Notes, Class F Notes or Subordinated Notes (or interests therein) held by Controlling Persons.

(ii) With respect to acquiring or holding a Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate, it will provide 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) and represent and warrant (I) (A) whether or not, for so long as it holds such Class E Note, Class F Note or Subordinated Note 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 Subordinated Note 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 Subordinated Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (2) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any federal, state, local non U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or 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 Similar Law and (y) its acquisition, holding and disposition of such Class E Note, Class F Note or Subordinated Note will not constitute or result in a non-exempt violation of any Similar Law, and (II) that it will agree to certain transfer restrictions regarding its interest in such Class E Note, Class F Note or Subordinated Note. Any purported transfer of the Class E Notes, Class F Notes or Subordinated Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Class E Notes, Class F Notes or Subordinated Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(c) The purchaser acknowledges that the Issuer, the Placement Agent, the Trustee, the Collateral Manager and the Collateral Administrator and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

7. The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of U.S. Persons that are not QIB/QPs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE

ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 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 30 APRIL 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN USD 25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN (SUCH AS A 401(K) PLAN), OR ANY OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH (A)(1)(I)(D) OR (A)(1)(I)(E) OF RULE 144A) OR TRUST FUND REFERRED TO IN PARAGRAPH (A)(1)(I)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, UNLESS INVESTMENT DECISIONS WITH RESPECT TO SUCH PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN AND NOT BY BENEFICIARIES OF THE PLAN, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE REGISTRAR.

[*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 NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN 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 THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING THIS NOTE (OR INTEREST HEREIN) UNLESS THE ACQUIROR MAKES (OR IS DEEMED TO MAKE) THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THIS NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (UNLESS THE WRITTEN CONSENT OF THE ISSUER TO THE CONTRARY IS OBTAINED) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF 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, THE CLASS F NOTES OR THE SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION OR OTHER REPRESENTATION RELATING TO A GOVERNMENTAL, CHURCH, NON-US OR OTHER PLAN 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 NOTE, CLASS F NOTE OR SUBORDINATED NOTES, 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 SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL BE REQUIRED TO PROVIDE AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON (AS SUCH TERMS ARE DEFINED BELOW) AND TO REPRESENT, WARRANT AND AGREE IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS NOTE 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 NOTE 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 NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR SECTION 4975 OF THE UNITED STATES 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 NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NONEXEMPT VIOLATION OF ANY SIMILAR LAW. EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES 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 SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION OR OTHER REPRESENTATION RELATING TO A GOVERNMENTAL, CHURCH, NON-US OR OTHER PLAN 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 SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, THE CLASS D NOTES, THE CLASS E NOTES AND THE CLASS F NOTES ONLY*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE COLLATERAL ADMINISTRATOR OR THE ISSUER AT 125 OLD BROAD STREET, FIFTH FLOOR, LONDON EC2N 1AR, UNITED KINGDOM OR HERIKERBERGWEG 238, 1101 CM AMSTERDAM, THE NETHERLANDS, RESPECTIVELY.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES AND THE CLASS D NOTES IN THE FORM OF CM NON-VOTING NOTES OR CM NON-VOTING EXCHANGEABLE NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN WILL NOT CARRY A RIGHT TO VOTE OR TO BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES AND THE CLASS D NOTES IN THE FORM OF CM VOTING NOTES ONLY*]

[EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN WILL CARRY A RIGHT TO VOTE OR TO BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

8. The purchaser will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.

9. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

10. The purchaser will treat the Issuer and the Notes as described in the "*Tax Considerations - Certain U.S. Federal Income Tax Considerations*" section of the Offering Circular for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.

11. The purchaser will timely furnish the Issuer or its agents with any tax forms or certifications (including, without limitation, IRS Form W-9, an applicable IRS Form W-8, or any successors to such IRS forms) that the Issuer or its agents may reasonably request (A) to permit the Issuer or its agents to make payments to the purchaser 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 and Treasury Regulations or under any other applicable law, and will update or replace any tax forms or certifications as appropriate or in accordance with their terms or subsequent amendments thereto. Each purchaser acknowledges that the failure to provide, update or replace any such tax forms or certifications may result in the imposition of withholding or back up withholding upon payments to such purchaser, or to the Issuer. Amounts withheld from payments to the purchaser by the Issuer or its agents that are, in their sole judgment, required to be withheld pursuant to applicable tax laws will be treated as having been paid to the purchaser by the Issuer.

12. The purchaser will provide the Issuer or its agents with any correct, complete and accurate information and will take any other actions 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. In the event the purchaser fails to provide such information or take such actions, or to the extent that its ownership of Notes would otherwise cause the Issuer to be subject to any tax under FATCA, (A) the Issuer (and any agent acting on its behalf) is authorized to withhold amounts otherwise distributable to the purchaser as compensation for any amounts withheld from payments to or for the benefit of the Issuer as a result of such failure or such ownership, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such ownership, the Issuer will have the right to compel the purchaser to sell its Notes and, if such purchaser does not sell its Notes within 10 Business Days after notice from the Issuer or its agents, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes incurred by the Issuer in connection with such sale) to such person as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. Each purchaser agrees that the Issuer, the Trustee or their agents or representatives may (1) provide any information and documentation concerning its investment in its Notes to the Netherlands Tax and Customs Administration, the U.S. Internal Revenue Service and any other relevant tax authority and (2) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA.

13. Each purchaser of Class E Notes, Class F Notes, or Subordinated Notes, if it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), represents that either:

    (a) it is not a bank (within the meaning of Section 881(c)(3)(A) of the Code) or an affiliate of a bank;

(b) after giving effect to its purchase of Notes, it (x) will not directly or indirectly own more than 33-1/3 per cent., by value, of the aggregate of the Notes within such Class and any other Notes that are ranked *pari passu* with or are subordinated to such Notes, and will not otherwise be related to the Issuer (within the meaning of Treasury regulations section 1.881-3) and (y) has not purchased the Notes in whole or in part to avoid any U.S. federal tax liability (including, without limitation, any U.S. withholding tax that would be imposed on payments on the Collateral Obligations if the Collateral Obligations were held directly by the purchaser); or

(c) it has provided an IRS Form W-8ECI representing that all payments received or to be received by it from the Issuer are effectively connected with the conduct of a trade or business in the United States and includible in its gross income.

14. Each purchaser of Subordinated Notes, if it owns more than 50% of the Subordinated Notes by value or is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury regulations section 1.1471-5T(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 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 Treasury regulations promulgated thereunder is either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4T(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 Treasury regulations promulgated thereunder is not either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4T(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided the purchaser with an express waiver of this requirement.

15. No purchaser of Subordinated Notes will treat any income with respect to its Subordinated Notes as derived in connection with the Issuer's active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

16. No purchase or transfer of a Class E Note, Class F Note or Subordinated Note will be recorded or otherwise recognised unless the purchaser or transferee has provided the Issuer with a certificate substantially in the form of Annex A (*Form of ERISA Certificate*) hereto.

17. The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Noteholder or Non-Permitted ERISA Noteholder to sell its interest in the Notes or may sell such interest in its Notes on behalf of such Non-Permitted Noteholder or Non-Permitted ERISA Noteholder.

18. In respect of a purchase or transfer of a CM Voting Note, or any interest in such Note, the purchaser or transferee understands that such CM Voting Note carries a right to vote or to be counted for the purposes of determining a quorum and the result of voting on all matters of which Noteholders have a right to vote and be so counted, other than a CM Removal Resolution or a CM Replacement Resolution when it shall carry a right to vote or to be counted for the purposes of determining a quorum and the result of voting solely when it represents an interest in the Controlling Class.

19. In respect of a purchase or transfer of a CM Non-Voting Note, or any interest in such Note, the purchaser or transferee understands that such CM Non-Voting Note does not carry a right to vote or to 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 does have a right to vote and be so counted in respect of all other matters as to which Noteholders are entitled to vote.

20. In respect of a purchase or transfer of a CM Non-Voting Exchangeable Note, or any interest in such Note, the purchaser or transferee understands that such CM Non-Voting Exchangeable Note does not carry a right to vote or to 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 does have a right to vote and be so counted in respect of all other matters as to which Noteholders are entitled to vote.

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have made the representations set forth in clauses (4), (6), (8) through (10) (inclusive), and (12) through (16) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes) and to have further represented and agreed as follows:

1. The purchaser is located outside the United States and is not a U.S. Person.

2. The purchaser understands that the Notes have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, the Placement Agent and any of their Affiliates, that, if it decides to resell, pledge or otherwise transfer such Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person (A) it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a nominal amount of not less than €250,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note and (B) that constitutes a QP; or (ii) to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.

3. The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Notes will bear a legend set forth below.

   THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 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 30 APRIL 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN USD 25,000,000 IN NOTES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN (SUCH AS A 401(K) PLAN), OR ANY OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH (A)(1)(I)(D) OR (A)(1)(I)(E) OF RULE 144A) OR TRUST FUND REFERRED TO IN PARAGRAPH (A)(1)(I)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, UNLESS INVESTMENT DECISIONS WITH RESPECT TO SUCH PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN AND NOT BY BENEFICIARIES OF THE PLAN, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT NOT LESS THAN €250,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (W) THROUGH (Z),

THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE REGISTRAR.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING THIS NOTE (OR INTEREST HEREIN) UNLESS THE ACQUIROR MAKES (OR IS DEEMED TO MAKE) THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THIS NOTE IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT, WARRANT AND AGREE THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (UNLESS THE WRITTEN CONSENT OF THE ISSUER TO THE CONTRARY IS OBTAINED) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (2) (A) IF IT IS, OR IS ACTING

ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF 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 SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION OR OTHER REPRESENTATION RELATING TO A GOVERNMENTAL, CHURCH, NON-US OR OTHER PLAN 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 NOTE, CLASS F NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS E NOTE, CLASS F NOTE OR

SUBORDINATED NOTE WILL BE REQUIRED TO PROVIDE AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON (AS SUCH TERMS ARE DEFINED BELOW) AND TO REPRESENT, WARRANT AND AGREE IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE 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 CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE 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 SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR SECTION 4975 OF THE UNITED STATES 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 SUBORDINATED NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW. EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE 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 SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING

CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION OR OTHER REPRESENTATION RELATING TO A GOVERNMENTAL, CHURCH, NON-US OR OTHER PLAN 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 NOTE, CLASS F NOTE OR SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, THE CLASS D NOTES, THE CLASS E NOTES AND THE CLASS F NOTES ONLY*] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE COLLATERAL ADMINISTRATOR OR THE ISSUER AT 125 OLD BROAD STREET, FIFTH FLOOR, LONDON EC2N 1AR, UNITED KINGDOM OR HERIKERBERGWEG 238, 1101 CM AMSTERDAM, THE NETHERLANDS, RESPECTIVELY.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES AND THE CLASS D NOTES IN THE FORM OF CM NON-VOTING NOTES OR CM NON-VOTING EXCHANGEABLE NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN WILL NOT CARRY A RIGHT TO VOTE OR TO BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES AND THE CLASS D NOTES IN THE FORM OF CM VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN WILL CARRY A RIGHT TO VOTE OR TO BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

4. That neither the Issuer, its Affiliates (as defined in Rule 405 under the Securities Act) nor any persons (other than the Collateral Manager, as to whom no representation or warranty is made) acting on its or their behalf have engaged or will engage in any "directed selling efforts" (as defined in Regulation S under the Securities Act) in respect of the Notes.

5. The Issuer, its Affiliates and any person (other than the Placement Agent, as to whom no representation or warranty is made) acting on its or their behalf have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

6. The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons.

7. The purchaser acknowledges that the Issuer, the Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator, the Agents and their Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

8. In respect of a purchase or transfer of a CM Voting Note, or any interest in such Note, the purchaser or transferee understands that such CM Voting Note carries a right to vote or to be counted for the purposes of determining a quorum and the result of voting on all matters of which Noteholders have a right to vote and be so counted, other than a CM Removal Resolution or a CM Replacement Resolution when it shall carry a right to vote or to be counted for the purposes of determining a quorum and the result of voting solely when it represents an interest in the Controlling Class.

9. In respect of a purchase or transfer of a CM Non-Voting Note, or any interest in such Note, the purchaser or transferee understands that such CM Non-Voting Note does not carry a right to vote or to 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 does have a right to vote and be so counted in respect of all other matters as to which Noteholders are entitled to vote.

10. In respect of a purchase or transfer of a CM Non-Voting Exchangeable Note, or any interest in such Note, the purchaser or transferee understands that such CM Non-Voting Exchangeable Note does not carry a right to vote or to 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 does have a right to vote and be so counted in respect of all other matters as to which Noteholders are entitled to vote.

11. The purchaser will timely furnish the Issuer or its agents with any tax forms or certifications (including, without limitation, an applicable IRS Form W-8, or any successors to such IRS form) that the Issuer or its agents may reasonably request (A) to permit the Issuer or its agents to make payments to the purchaser 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 and Treasury Regulations or under any other applicable law, and will update or replace any tax forms or certifications as appropriate or in accordance with their terms or subsequent amendments thereto. Each purchaser acknowledges that the failure to provide, update or replace any such tax forms or certifications may result in the imposition of withholding or back up withholding upon payments to such purchaser, or to the Issuer. Amounts withheld from payments to the purchaser by the Issuer or its agents that are, in their sole judgment, required to be withheld pursuant to applicable tax laws will be treated as having been paid to the purchaser by the Issuer.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

GENERAL INFORMATION

Clearing Systems

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

	Regulation S Notes		Rule 144 A Notes	
	ISIN	**Common Code**	**ISIN**	**Common Code**
Class A-1 CM Voting Notes	XS1268544472	126854447	XS1268557961	126855796
Class A-1 CM Non-Voting Notes	XS1268546170	126854617	XS1268558696	126855869
Class A-1 CM Non-Voting Exchangeable Notes	XS1268545107	126854510	XS1268558266	126855826
Class A-2 CM Voting Notes	XS1268546840	126854684	XS1268559157	126855915
Class A-2 CM Non-Voting Notes	XS1268549786	126854978	XS1268562888	126856288
Class A-2 CM Non-Voting Exchangeable Notes	XS1268548549	126854854	XS1268559405	126855940
Class A-3 CM Voting Notes	XS1268551410	126855141	XS1268562532	126856253
Class A-3 CM Non-Voting Notes	XS1268551766	126855176	XS1268561997	126856199
Class A-3 CM Non-Voting Exchangeable Notes	XS1268551501	126855150	XS1268562029	126856202
Class B-1 CM Voting Notes	XS1268551923	126855192	XS1268561724	126856172
Class B-1 CM Non-Voting Notes	XS1268552228	126855222	XS1268560833	126856083
Class B-1 CM Non-Voting Exchangeable Notes	XS1268552145	126855214	XS1268560163	126856016
Class B-2 CM Voting Notes	XS1268553036	126855303	XS1268561054	126856105
Class B-2 CM Non-Voting Notes	XS1268553465	126855346	XS1268561484	126856148
Class B-2 CM Non-Voting Exchangeable Notes	XS1268553200	126855320	XS1268561567	126856156
Class C CM Voting Notes	XS1268554190	126855419	XS1268548895	126854889
Class C CM Non-Voting Notes	XS1268554604	126855460	XS1268519102	126851910
Class C CM Non-Voting Exchangeable Notes	XS1268554356	126855435	XS1268508832	126850883
Class D CM Voting Notes	XS1268555759	126855575	XS1268526495	126852649
Class D CM Non-Voting Notes	XS1268556997	126855699	XS1268533947	126853394
Class D CM Non-Voting Exchangeable Notes	XS1268556484	126855648	XS1268530760	126853076
Class E Notes	XS1268557292	126855729	XS1268537260	126853726
Class F Notes	XS1268557458	126855745	XS1268542856	126854285
Subordinated Notes	XS1268557615	126855761	XS1268544399	126854439

Listing

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its Global Exchange Market. There can be no assurance that any such approval will be maintained.

Expenses in relation to Admission to Trading

The expenses in relation to the admission of the Notes to trading on the Global Exchange Market will be approximately €13,500.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the board of directors of the Issuer passed on 28 August 2015.

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 19 December 2014 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 19 December 2014.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.

Accounts

Since the date of its incorporation, other than entering into the Warehouse Arrangements and acquiring certain Collateral Obligations pursuant to it, the authorisation and issue of the Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Collateral Acquisition Agreements, the Notes, the Placement Agency Agreement, the Agency and Account Bank Agreement, the Trust Deed, the Collateral Management and Administration Agreement, the Administration Agreement, the Warehouse Termination Agreement, each Hedge Agreement and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Portfolio, the Issuer has not commenced operations and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Issuer during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 30 November 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 Event of Default or Potential Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Global Exchange Market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

Documents Available

Copies of the following documents may be inspected in electronic format (and, in the case of each of (g) and (h) below, will be available for collection free of charge) at the registered office of the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes.

(a) the articles of association of the Issuer;

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

(c) the Agency and Account Bank Agreement;

(d) the Collateral Management and Administration Agreement;

(e) the Retention Undertaking Letter;

(f) each Hedge Agreement;

(g) each Monthly Report; and

(h) each Payment Date Report.

Post Issuance Reporting

The Issuer will provide post-issuance transaction information in relation to the issue of the Notes.

Enforceability of Judgments

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands. None of the directors of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon civil liability provisions of the securities laws of the United States or any State or territory within the United States.

As the United States and The Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters, a final judgment rendered by any federal court in the United States based on civil liability would not be enforceable in The Netherlands. However, if the party in whose favour such final judgment is rendered brings a new suit in a competent court in The Netherlands, such party may submit to a Dutch court the final judgment that has been rendered in the United States. Common law rules apply in order to determine whether a judgment of the United States courts shall be recognised and will then be enforceable in The Netherlands. A judgment of the United States courts will be recognised by the courts of The Netherlands if the following general requirements are met:

(i) the United States court rendering the judgment had jurisdiction over the subject matter of the litigation on internationally acceptable grounds and has conducted the proceedings in accordance with general principles of fair trial;

(ii) the foreign judgment is final and definite; and

(iii) such recognition is not in conflict with an existing Dutch judgment or with Dutch public policy (i.e. a fundamental principle of Dutch law).

Foreign Language

The language of the Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct meaning may be ascribed to them under applicable law.

INDEX OF DEFINED TERMS

ANNEX A
FORM OF ERISA CERTIFICATE

The purpose of this ERISA and Tax Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the Class E Notes, Class F Notes and the Subordinated Notes (determined separately by class) issued by Babson Euro CLO 2015-1 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, as amended (the "**Code**") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**"), (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, Class F Notes and the Subordinated Notes. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

If a box is not checked, you are representing, warranting and agreeing that the applicable Section does not, and will not, apply to you.

(1) ☐ **Employee Benefit Plans Subject to ERISA or the Code**. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

(2) ☐ **Entity Holding Plan Assets**. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the total value of any class of its equity is held by Benefit Plan Investors.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code: ___ per cent.

AN ENTITY OR FUND THAT CANNOT PROVIDE THE FOREGOING PERCENTAGE HEREBY ACKNOWLEDGES THAT FOR PURPOSES OF DETERMINING WHETHER BENEFIT PLAN INVESTORS OWN LESS THAN 25 PER CENT. OF THE TOTAL VALUE OF THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES, 100 PER CENT. OF THE ASSETS OF THE ENTITY OR FUND WILL BE TREATED AS "PLAN ASSETS."

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

(3) ☐ **Insurance Company General Account**. We, or the entity on whose behalf we are acting, are an insurance company purchasing the Class E Notes, Class F Notes or the Subordinated Notes with funds from our or their general account (i.e., the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" for purposes of ERISA (or Section 4975 of the Code).

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" for purposes of conducting the 25 per cent. test: ___ 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**. If, after the date hereof, any of the categories described in Sections (1) through (3) above would apply, we will promptly notify the Issuer of such change.

(5) **No Prohibited Transaction**. If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the Class E Notes, the Class F Notes or the Subordinated Notes do not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

(6) **Not Subject to Similar Law and No Violation of Similar Law**. If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not subject to any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code (any such law or regulation, "**Similar Law**"), and (b) our acquisition, holding and disposition of the Class E Notes, the Class F Notes or the Subordinated Notes do not and will not constitute or result in a non-exempt violation of any Similar Law.

(7) ☐ **Controlling Person**. We are, or we are acting on behalf of any of: (i) the Collateral Manager, (ii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iii) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (iv) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "**Controlling Person**".

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25 per cent. of the total value of the Class E Notes, the Class F Notes or the Subordinated Notes (determined separately by class), the Class E Notes, the Class F Notes or the Subordinated Notes held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

(8) **Compelled Disposition**. We acknowledge and agree that:

(i) if any representation or warranty that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25 per cent. Limitation, the Issuer shall, promptly after such discovery, send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Noteholder within 10 days after the date of such notice;

(ii) if we fail to transfer our Class E Notes, Class F Notes or Subordinated Notes, the Issuer shall have the right, without further notice to us, to sell our Class E Notes, Class F Notes or Subordinated Notes or our interest in the Class E Notes, the Class F Notes or the Subordinated Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Noteholder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Class E Notes, the Class F Notes or the Subordinated Notes and selling such securities to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion;

(iv) by our acceptance of an interest in the Class E Notes, the Class F Notes or the Subordinated Notes, we agree to cooperate with the Issuer to affect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

(vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

(9) **Required Notification and Agreement**. We hereby agree that we (a) will inform the Issuer of any proposed transfer by us of all or a specified portion of the Class E Notes, the Class F Notes or the Subordinated Notes and (b) will not initiate any such transfer after we have been informed by the Issuer in writing that such transfer would cause the 25 per cent. Limitation to be exceeded. We hereby agree and acknowledge that after the Issuer effects any permitted transfer of Class E Notes, Class F Notes or Subordinated Notes owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Issuer shall include such Class E Notes, Class F Notes or Subordinated Notes in future calculations of the 25 per cent. Limitation made pursuant hereto unless subsequently notified that such Notes, as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

(10) **Continuing Representation; Reliance**. We acknowledge and agree that the representations, warranties and agreements contained in this Certificate shall be deemed made on each day from the date we make such representations, warranties and agreements through and including the date on which we dispose of our interests in the Class E Notes, the Class F Notes or the Subordinated Notes. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer to determine that Benefit Plan Investors own or hold less than 25 per cent. of the total value of the Class E Notes, the Class F Notes or the Subordinated Notes (determined separately by class) upon any subsequent transfer of the Class E Notes, the Class F Notes or the Subordinated Notes in accordance with the Trust Deed.

(11) **Further Acknowledgement and Agreement**. We acknowledge and agree that (i) all of the representations, warranties and assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, Goldman Sachs International 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, Goldman Sachs International, 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 Subordinated Notes by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

(12) **Future Transfer Requirements**.

Transferee Letter and its Delivery. We acknowledge and agree that a transferee of a Class E Note, a Class F Note or a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed or actual representation, as applicable, such transferee may not acquire such Class E Note, Class F Note or Subordinated Note in the form of a Rule 144A Global Certificate or Regulation S Global Certificate unless such transferee: (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form hereof); and (iii) unless the written consent of the Issuer to the contrary is obtained, holds such Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate.

We acknowledge and agree that a purchaser or transferee of a Class E Note, a Class F Note or Subordinated Note in the form of a Definitive Certificate will be required to provide an ERISA Certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form hereof) and (i) represent and warrant in writing to the Issuer (1) whether or not, for so long as it holds such Notes or interest herein, it is, or is acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as it holds such Notes or interest therein, it is 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 Notes 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 Notes or interest therein will not be, subject to any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the

Issuer's assets) to any Similar Law and (y) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Similar Law, and (ii) agree to certain transfer restrictions regarding its interest in such Notes.

Note: Unless you are notified otherwise, the name and address of the Issuer is as follows: Babson Euro CLO 2015-1 B.V., Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____

[Insert Purchaser's Name]

By:
Name:
Title:
Dated:
This Certificate relates to €[●] of [Class E Notes] / [Class F Notes] / [Subordinated Notes]

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