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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 "QUALIFIED INSTITUTIONAL BUYERS" ("**QIBs**") (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES 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).

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

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

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

The document has been sent to you in the belief that you are (a) a person of the kind described in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set out in such Order so that Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer and (b) a person to whom the document can be sent lawfully in accordance with all other applicable securities laws. If this is not the case then you must return the document immediately.

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Restrictions: Nothing in this document or any electronic transmission hereof constitutes an offer of securities for sale in the United States or any other jurisdiction. Any securities to be issued will not be registered under the

Securities Act and may not be offered or sold in the United States or to or for the account or benefit of any U.S. person (as such terms are defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from such registration.

Bosphorus CLO II Designated Activity Company

(a designated activity company incorporated under the laws of Ireland, with registered number 567758)

€163,600,000 Class A Secured Floating Rate Notes due 2025
€30,500,000 Class B Secured Floating Rate Notes due 2025
€22,200,000 Class C Secured Deferrable Floating Rate Notes due 2025
€13,900,000 Class D Secured Deferrable Floating Rate Notes due 2025
€16,200,000 Class E Secured Deferrable Floating Rate Notes due 2025
€8,000,000 Class F Secured Deferrable Floating Rate Notes due 2025
€23,300,000 Subordinated Notes due 2025

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

Bosphorus CLO II Designated Activity Company (the "**Issuer**") will issue 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 (each as defined herein).

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 (such Classes of Notes, the "**Rated Notes**"), together with the Subordinated Notes, are collectively referred to herein as the "**Notes**". The Notes will be issued and secured pursuant to a trust deed (as amended, supplemented and/or restated from time to time, the "**Trust Deed**") dated on or about 27 April 2016 (the "**Issue Date**"), made between (amongst others) the Issuer and The Bank of New York Mellon, London Branch, in its capacity as trustee (the "**Trustee**"). The Notes will initially be offered at the prices specified in the "*Overview*" or such other prices as may be negotiated at the time of sale which may vary among different purchasers.

Interest on the Notes will be payable (i) quarterly in arrear on 15 January, 15 April, 15 July and 15 October prior to the occurrence of a Frequency Switch Event (as defined herein) and (ii) semi-annually in arrear on (A) 15 January and 15 July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July) or (B) 15 April and 15 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) (or, in each case, if such day is not a Business Day (as defined herein), then on the next succeeding Business Day) in each year, commencing on 15 October 2016 and ending on the Maturity Date (as described herein) in accordance with the Priorities of Payment described herein.

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

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

This Offering Circular (this "**Offering Circular**") does not constitute a prospectus for the purposes of Article 5 of Directive 2003/71/EC (as such directive may be amended from time to time, the "**Prospectus Directive**"). The Issuer is not offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive. Application has been made to The Irish Stock Exchange p.l.c. (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**"). It is anticipated that listing and admission to trading will take place on or about the Issue Date. There can be no assurance that such listing and admission to trading will be granted or maintained. Upon approval by and filing with the Irish Stock Exchange, this document will constitute a "listing particulars" for the purposes of such application. The final copy of the "listing particulars" will be available from the website of 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.

It is a condition of the issue and sale of the Notes that the Rated Notes be issued with at least the following ratings from Standard & Poor's Credit Market Services Europe Limited ("**S&P**") and Fitch Ratings Ltd. ("**Fitch**" and, together with S&P, the "**Rating Agencies**", and each a "**Rating Agency**"): the Class A Notes: "AAA(sf)" from S&P and "AAAsf" from Fitch; the Class B Notes: "AA+(sf)" from S&P and "AA+sf" from Fitch; the Class C Notes: "A+(sf)" from S&P and "Asf" from Fitch; the Class D Notes: "BBB+(sf)" from S&P and "BBBsf" from Fitch; the Class E Notes: "BB(sf)" from S&P and "BBsf" from Fitch; and the Class F Notes: "B(sf)" from S&P and "Bsf" from Fitch. The Subordinated Notes being offered hereby will not be rated. A security rating is not a recommendation to buy, sell or hold the Rated Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agencies.

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

hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. See "*Plan of Distribution*" and "*Transfer Restrictions*".

The Notes are being offered by the Issuer through Stifel, Nicolaus & Company, Inc. in its capacity as Initial Purchaser of the Notes (the "**Initial Purchaser**") subject to prior sale, when, as and if delivered to and accepted by the Initial Purchaser, and to certain conditions. Certain sales may also be co-arranged on behalf of the Issuer by Stifel Nicolaus Europe Limited, an affiliate of the Initial Purchaser. It is expected that delivery of the Notes will be made on or about the Issue Date.

Stifel, Nicolaus & Company, Inc.

The date of this Offering Circular is 27 April 2016

RESPONSIBILITY

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

The Investment Manager accepts responsibility for the information contained in the sections of this Offering Circular headed "*Risk Factors – Relating to certain conflicts of interest – Investment Manager*" and "*Description of the Investment Manager*". To the best of the knowledge and belief of the Investment Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. None of the Issuer, the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Collateral Administrator, the Agents, nor any of their respective affiliates accepts responsibility for the accuracy, adequacy, reasonableness or completeness of the information contained therein.

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

The Collateral Administrator accepts responsibility for the information contained in the section of this Offering Circular 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. None of the Issuer, the Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Agents, the Investment Manager, nor any of their respective affiliates accepts responsibility for the accuracy, adequacy, reasonableness or completeness of the information contained therein.

DISCLAIMER

The Issuer has only made very limited enquiries with regards to the accuracy and completeness of the information under the section entitled "*Risk Factors – Relating to certain conflicts of interest – Investment Manager*", "*Description of the Investment Manager*", "*Description of the Trustee*" and "*Description of the Collateral Administrator*" in this Offering Circular (together, the "**Third Party Information**"). As far as the Issuer is aware and is able to ascertain, this information has been accurately reproduced and no facts have been omitted which would render the reproduced information inaccurate or misleading. Prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the accuracy and completeness of the Third Party Information. None of the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Investment Manager (save in respect of the sections headed "*Risk Factors – Relating to certain conflicts of interest – Investment Manager*" and "*Description of the Investment Manager*"), the Trustee (save in respect of the section headed "*Description of the Trustee*"), the Collateral Administrator (save in respect of the section headed "*Description of the Collateral Administrator*"), any Agent or any other party has separately verified the information contained in this Offering Circular and, accordingly, none of the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Trustee (save as specified above), the Investment Manager (save as specified above), the Collateral Administrator (save as specified above), any Agent or any other party (save for the Issuer as specified above in relation to the acceptance of responsibility) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Offering Circular or in any further notice or other document which may at any time be supplied in connection with the

Notes or their distribution or accepts any responsibility or liability therefor. None of the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator, any Agent or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular.

IRISH REGULATORY POSITION

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

OFFER/INVITATION/DISTRIBUTION RESTRICTIONS

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

UNAUTHORISED INFORMATION

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

RETENTION REQUIREMENTS

Each prospective investor in the Notes which is subject to the Retention Requirements, the Due Diligence Requirement, Similar Requirements or any other applicable legal, regulatory or other requirements should consult with its own legal, accounting and other advisors and/or its national regulator in determining the extent to which the information set out under "*Retention Requirements*" and in this Offering Circular generally is sufficient for the purpose of complying with the Retention Requirements, the Due Diligence Requirement, Similar Requirements, or any other applicable legal, regulatory or other requirements. Any such prospective investor is required to independently assess and determine the sufficiency of such information.

INFORMATION AS TO PLACEMENT

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

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

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.

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

U.S. TAX LEGEND

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

HEREIN AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER U.S. TAX ANALYSES) RELATING TO SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT AND THAT MAY BE RELEVANT TO UNDERSTANDING SUCH U.S. FEDERAL, STATE, AND LOCAL TAX TREATMENT.

AVAILABLE INFORMATION

To permit compliance with the Securities Act in connection with the sale of the Notes in reliance on Rule 144A, the Issuer will be required under the Trust Deed to furnish upon request to a holder or beneficial owner who is a QIB of a Note sold in reliance on Rule 144A or a prospective investor who is a QIB designated by such holder or beneficial owner the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is neither a reporting company under Section 13 or Section 15(d) of the 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 be obtained during usual business hours free of charge at the office of the Issuer.

GENERAL NOTICE

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

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

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

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

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

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

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

CURRENCIES

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

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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 and related documents referred to herein. Capitalised terms not specifically defined in this overview have the meanings set out in Condition 1 (*Definitions*) under "*Terms and Conditions of the Notes*" below or are defined elsewhere in this Offering Circular. An index of defined terms appears at the back of this Offering Circular. References to a "Condition" are to the specified Condition in the "*Terms and Conditions of the Notes*" below and references to "Conditions of the Notes" are to the "*Terms and Conditions of the Notes*" below.

Parties

Issuer:	Bosphorus CLO II Designated Activity Company
Arranger:	Stifel, Nicolaus & Company, Inc.
Initial Purchaser:	Stifel, Nicolaus & Company, Inc.
Co-Arranger:	Stifel Nicolaus Europe Limited
Investment Manager:	Commerzbank AG, London Branch
Trustee:	The Bank of New York Mellon, London Branch
Information Agent:	The Bank of New York Mellon SA/NV, Dublin Branch
Collateral Administrator:	The Bank of New York Mellon SA/NV, Dublin Branch
Custodian:	The Bank of New York Mellon, London Branch
Account Bank:	The Bank of New York Mellon, London Branch
Principal Paying Agent:	The Bank of New York Mellon, London Branch
Calculation Agent:	The Bank of New York Mellon, London Branch
Registrar:	The Bank of New York Mellon (Luxembourg) S.A.
Transfer Agent:	The Bank of New York Mellon (Luxembourg) S.A.
U.S. Paying Agent:	The Bank of New York Mellon

Notes

Class of Notes	Principal Amount	Initial Stated Interest Rate at the Issue Date[(1)]	Alternate Stated Interest Rate[(2)]	S&P ratings of at least[(3)]	Fitch ratings of at least[(3)]	Maturity Date[(4)]	Issue Price (per cent.)[(5)]
A	€163,600,000	3 month EURIBOR + 1.43 per cent.	6 month EURIBOR + 1.43 per cent.	"AAA(sf)"	"AAAsf"	15 October 2025	100.00
B	€30,500,000	3 month EURIBOR + 2.15 per cent.	6 month EURIBOR + 2.15 per cent.	"AA+(sf)"	"AA+sf"	15 October 2025	100.00
C	€22,200,000	3 month EURIBOR + 3.25 per cent.	6 month EURIBOR + 3.25 per cent.	"A+(sf)"	"Asf"	15 October 2025	97.00

Class of Notes	Principal Amount	Initial Stated Interest Rate at the Issue Date[1]	Alternate Stated Interest Rate[2]	S&P ratings of at least[3]	Fitch ratings of at least[3]	Maturity Date[4]	Issue Price (per cent.)[5]
D	€13,900,000	3 month EURIBOR + 5.00 per cent.	6 month EURIBOR + 5.00 per cent.	"BBB+(sf)"	"BBBsf"	15 October 2025	99.43
E	€16,200,000	3 month EURIBOR + 7.50 per cent.	6 month EURIBOR + 7.50 per cent.	"BB(sf)"	"BBsf"	15 October 2025	100.00
F	€8,000,000	3 month EURIBOR + 8.75 per cent.	6 month EURIBOR + 8.75 per cent.	"B(sf)"	"Bsf"	15 October 2025	100.00
Subordinated[6]	€23,300,000	N/A	N/A	Not Rated	Not Rated	15 October 2025	100.00

(1) Applicable at all times prior to the occurrence of a Frequency Switch Event. The rate of interest of the Rated Notes for the period from, and including, the Issue Date to, but excluding, the first Payment Date will be determined by reference to 3 month EURIBOR. The spread over EURIBOR with respect to the Rated Notes of each Class may be reduced in connection with a Re-Pricing of such Class of Notes, subject to the conditions set forth in Condition 6(j) (*Optional Re-Pricing*).

(2) Applicable at all times following the occurrence of a Frequency Switch Event, provided that in the case of the period from, and including, the final Payment Date before the Maturity Date to, but excluding the Maturity Date, if such first mentioned Payment Date falls in July 2025, the rate of interest on the Rated Notes will be determined by reference to 3 month EURIBOR.

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

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

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

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

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

Interest on the Notes:

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

Optional Re-Pricing:..... On any Business Day on or after the expiration of the Non-Call Period, at the direction of (i) the Investment Manager with the consent of the Subordinated Noteholders (acting by way of Ordinary Resolution) or (ii) the Subordinated Noteholders (acting by way of Ordinary Resolution) with the consent of the Investment Manager, the Issuer shall reduce the Applicable Margin with

respect to any Class of Rated Notes; **provided that** the Issuer shall not effect any Re-Pricing unless each condition specified in Condition 6(j) (*Optional Re-Pricing*) is satisfied with respect thereto. See Condition 6(j) (*Optional Re-Pricing*).

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

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

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

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

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

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

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

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

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

Condition 7(b)(iv) (*Optional Redemption of Subordinated Notes*));

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

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

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

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

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

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

Non-Call Period: ..... The period from and including the Issue Date up to, but excluding, 15 April 2017, or if such day is not a Business Day, then the next succeeding Business Day.

Redemption Prices: ..... The Redemption Price of each Class of Rated Notes will be (a) 100 per cent. of the Principal Amount Outstanding of the Rated Notes to be redeemed (including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any accrued and unpaid Deferred Interest on such Notes) *plus* (b) accrued and unpaid interest thereon to the date of redemption. The Redemption Price for each Subordinated Note will be its *pro rata* share of the amounts available to be distributed to the Subordinated Noteholders in accordance with the applicable Priorities of Payment.

Priorities of Payment:	Prior to (a) the Maturity Date, (b) such other date on which all Notes are redeemed in full pursuant to Condition 7 (*Redemption and Purchase*) or (c) the delivery date of an Acceleration Notice (and, if such Acceleration Notice is subsequently rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*), from and including the date on which such Acceleration Notice is rescinded or annulled until any of the events described in (a), (b) or (c) above subsequently occurs), in the case of Interest Proceeds, the Interest Priority of Payments and, in the case of Principal Proceeds, the Principal Priority of Payments. On (a) the Maturity Date, (b) such other date on which the Notes are redeemed in full pursuant to Condition 7 (*Redemption and Purchase*) or (c) following the delivery date of an Acceleration Notice (**provided that** if such Acceleration Notice is subsequently rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*), only up to the date on which such Acceleration Notice is rescinded or annulled), the Acceleration Priority of Payments.
Interest Priority of Payments:	See Condition 3(c)(i) (*Interest Priority of Payments*).
Principal Priority of Payments: ..	See Condition 3(c)(ii) (*Principal Priority of Payments*).
Acceleration Priority of Payments:	See Condition 10(c) (*Acceleration Priority of Payments*).
Security for the Notes:	The Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over the Portfolio. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of the Issuer Irish Account and the Administration Agreement. See Condition 4 (*Security*).

Portfolio

Investment Manager:	Pursuant to the Investment Management Agreement, the Investment Manager is required to act on behalf of the Issuer to carry out the duties and functions described therein. Pursuant to the Investment Management Agreement, the Issuer delegates authority to the Investment Manager to carry out certain administrative and monitoring functions in relation to the Portfolio without the requirement for specific approval by the Issuer or the Trustee. See "*Description of the Investment Management Agreement*" and "*Description of the Portfolio*".
Investment Management Fees:	
Senior Investment Management Fee:	The fee payable to the Investment Manager in arrear on each relevant Payment Date in respect of the immediately preceding Due Period in an amount equal to 0.20 per cent. per annum (calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as of the beginning of the Due Period relating to the applicable Payment Date. See "*Description of the Investment Management Agreement – Compensation of the Investment Manager*".

Subordinated Investment Management Fee: ..... The fee payable to the Investment Manager in arrear on each relevant Payment Date in respect of the immediately preceding Due Period in an amount equal to 0.15 per cent. per annum (calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as of the beginning of the Due Period relating to the applicable Payment Date. See "*Description of the Investment Management Agreement – Compensation of the Investment Manager*".

Incentive Investment Management Fee: ..... The fee payable to the Investment Manager in arrear on each relevant Payment Date in an amount equal to 20 per cent. of any Interest Proceeds or Principal Proceeds that would otherwise have been payable to the Subordinated Noteholders, **provided that** such amount will only be payable to the Investment Manager if the Incentive Investment Management Fee IRR Threshold has been reached. See "*Description of the Investment Management Agreement – Compensation of the Investment Manager*".

Make-whole Investment Management Fee: ..... The amount in respect of the Senior Investment Management Fee and the Subordinated Investment Management Fee that is payable to the Investment Manager following the occurrence of an early redemption in whole but not in part of the Notes pursuant to Condition 7(b) (*Optional Redemption*) (other than (a) a redemption effected with Refinancing Proceeds pursuant to Condition 7(b)(ii) (*Optional Redemption by Refinancing*) and (b) for the avoidance of doubt, a redemption following a Note Tax Event pursuant to Condition 7(e) (*Redemption following Note Tax Event*)) on any Call Date occurring during the six month period immediately following the expiry of the Non-Call Period, calculated as described in the definitions of "Make-whole Senior Investment Management Fee" and "Make-whole Subordinated Investment Management Fee," respectively. See "*Description of the Investment Management Agreement – Compensation of the Investment Manager*".

Purchase and Sale of Portfolio Assets:

As of the Issue Date: ..... The Issuer has committed to purchase all of the Initial Portfolio Assets pursuant to the Initial Collateral Acquisition Agreements. Approximately 68 per cent. of the Initial Portfolio Assets will be purchased by the Issuer pursuant to the terms of the Forward Sale Agreement and the Multilateral Netting Agreement; and approximately 32 per cent. of the Initial Portfolio Assets will be purchased by the Issuer pursuant to the terms of the Asset Sale Agreement. The Initial Portfolio Assets are expected to have an Aggregate Principal Balance (calculated without regard to prepayments, maturities or redemptions) of at least €275,005,678 (the "**Target Par Amount**") on the Effective Date. Under its arrangements with the Retention Holder and the Seller, interest on each Initial Portfolio Asset accrued from the Issue Date onward shall be for the account of the Issuer. All settlements of Initial Portfolio Assets are expected to occur by the Effective Date. Each Noteholder, by its acceptance thereof, is deemed to have consented to the Issuer's purchase of the Initial Portfolio Assets pursuant to the Initial Collateral Acquisition Agreements.

For purposes of the description of the Initial Portfolio contained in this Offering Circular, including without limitation the results of the Portfolio Profile Tests and the Collateral Quality Tests as at the Initial Measurement Date, Initial Portfolio Assets which the Issuer committed to purchase pursuant to the Initial Collateral Acquisition Agreements but which will have not settled by the Issue Date are included. Except in the case of settlements of commitments made pursuant to the Initial Collateral Acquisition Agreements and in the case of certain limited investments during the Reinvestment Period, the Issuer will not purchase any Portfolio Assets after the Issue Date. See "*Description of the Portfolio*".

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

Reinvestment in Portfolio Assets Subject to the limits described in the Investment Management Agreement and Unscheduled Principal Proceeds being available for such purpose, the Investment Manager may, at its discretion, reinvest any Unscheduled Principal Proceeds in the purchase of Substitute Portfolio Assets satisfying the Eligibility Criteria and subject to certain other criteria. See "*Description of the Portfolio –- Management of the Portfolio*".

Eligibility Criteria ..... In order to qualify as a Portfolio Asset, an obligation must satisfy the Eligibility Criteria as at the time the Issuer commits to acquire such Portfolio Asset and, in respect of each Initial Portfolio Asset, as at the Issue Date. See "*Description of the Portfolio –Eligibility Criteria.*"

Portfolio Acquisition and Disposition Requirements:..... The Issuer will not acquire or dispose of a Portfolio Asset, an Exchanged Security or an Eligible Investment unless the Portfolio Acquisition and Disposition Requirements are satisfied, which includes a requirement that a Portfolio Asset, an Exchanged Security or an Eligible Investment is not being acquired or disposed of for the primary purpose of recognising gains or decreasing losses resulting from market value changes. See "*Description of the Portfolio – Portfolio Acquisition and Disposition Requirements*".

Reinvestment Period: ..... The period from and including the Issue Date up to and including the earliest of: (a) the end of the Due Period preceding the Payment Date falling in April 2017 or, if such day is not a Business Day, then the next succeeding Business Day; (b) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that such Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*)); and (c) the date on which the Investment Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Portfolio Assets in accordance with the Reinvestment Criteria.

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

(a) so long as any Notes rated by S&P are Outstanding:

(i) the S&P Minimum Weighted Average Recovery Rate Test; and

(ii) until the expiry of the Reinvestment Period only, the S&P CDO Monitor Test;

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

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

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

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

(i) the Minimum Weighted Average Floating Spread Test;

(ii) the Minimum Weighted Average Fixed Coupon Test; and

(iii) the Maximum Weighted Average Life Test.

The results of the Collateral Quality Tests determined by the Collateral Administrator (on behalf of the Issuer) as applied to the Initial Portfolio as at the Initial Measurement Date are set out below.

(a) the S&P Weighted Average Recovery Rate was equal to the percentage set out below opposite each Class of Rated Notes:

Class	**Rate (per cent.)**
A	35.15
B	44.59
C	50.52
D	57.10
E	62.29
F	64.15

(b) the Fitch Weighted Average Rating Factor was 33.48;

(c) the Fitch Weighted Average Recovery Rate was 68.64 per cent.;

(d) the Weighted Average Floating Spread was 4.41 per cent.;

(e) the Weighted Average Fixed Coupon was 5.66 per cent.; and

(f) the Weighted Average Life was 5.30 years.

The Collateral Quality Tests will be measured by the Collateral Administrator as at the Issue Date and the failure of such characteristics on such date to meet the values thereof as at the Initial Measurement Date may have an adverse impact on the ratings of the Notes. The Collateral Quality Tests will also be measured by the Collateral Administrator on each Measurement Date during the Reinvestment Period. Following the Reinvestment Period, the Collateral Quality Tests will not be tested on an ongoing basis but will be described in each Monthly Report. See

"*Description of the Portfolio – Portfolio Profile Tests and Collateral Quality Tests – Collateral Quality Tests*."

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

The results of the Portfolio Profile Tests determined by the Collateral Administrator (on behalf of the Issuer) as applied to the Initial Portfolio as at the Initial Measurement Date are also set out below in the column headed "Initial Measurement Date Value".

The Portfolio Profile Tests will be measured by the Collateral Administrator on each Measurement Date during the Reinvestment Period. Following the Reinvestment Period, the Portfolio Profile Tests will not be tested on an ongoing basis but will be described in each Monthly Report. See "*Description of the Portfolio – Portfolio Profile Tests and Collateral Quality Tests – Portfolio Profile Tests*."

	Minimum	Maximum	Initial Measurement Date Value
Senior Secured Loans and/or Senior Secured Bonds (the Balances standing to the credit of the Principal Account and the Unused Proceeds Account shall be treated as Senior Secured Loans and Senior Secured Bonds)	100 per cent.	N/A	100 per cent.
Senior Secured Floating Rate Notes	N/A	10 per cent.	7.6 per cent.
High Yield Bonds, Non-Senior Secured Bonds, Unsecured Loans, Mezzanine Loans and/or Second Lien	N/A	0 per cent.	0 per cent.

Loans			
Portfolio Assets that provide for periodic payments of interest thereon in cash less frequently than semi-annually	N/A	0 per cent.	0 per cent.
Fixed Rate Portfolio Assets	N/A	1.8 per cent.	1.8 per cent.
Current Pay Obligations	N/A	0 per cent.	0 per cent.
Delayed Drawdown Obligations and Revolving Obligations	N/A	0 per cent.	0 per cent.
Participations	N/A	0 per cent.	0 per cent.
Corporate Rescue Loans	N/A	0 per cent.	0 per cent.
Cov-Lite Loans	N/A	41.6 per cent.	41.6 per cent.
PIK Securities	N/A	0 per cent.	0 per cent.
Bridge Loans	N/A	0 per cent.	0 per cent.
Pre-funded letters of credit	N/A	0 per cent.	0 per cent.
Senior Secured Loans and/or Senior Secured Bonds of a single Obligor	N/A	2.4 per cent.	2.4 per cent.
Portfolio Assets other than Senior Secured Loans and/or Senior Secured Bonds of a single Obligor	N/A	0 per cent.	0 per cent.
Obligations	N/A	17.7 per cent.,	17.7 per cent.,

comprising any one Fitch Industry Category		and the three largest Fitch Industry Categories may comprise up to 37.4 per cent.	and the three largest Fitch Industry Categories comprised up to 37.4 per cent.
Obligations comprising any one S&P Industry Category	N/A	18.9 per cent., and the three largest S&P Industry Categories may comprise up to 41.8 per cent.	18.9 per cent., and the three largest S&P Industry Categories comprised up to 41.8 per cent.
Fitch CCC Obligations	N/A	0 per cent.	0 per cent.
S&P CCC Obligations	N/A	0 per cent.	0 per cent.
S&P Rating is derived from Moody's Rating	N/A	0 per cent.	0 per cent.
Obligors who are Domiciled in jurisdictions with a country ceiling rating below "AAA" by Fitch	N/A	3.1 per cent.	3.1 per cent.
Obligors who are Domiciled in jurisdictions rated below "A-" by S&P	N/A	5.5 per cent.	5.5 per cent.
Obligors who are Domiciled in any one Eligible Country	N/A	25.1 per cent.	25.1 per cent.
Obligors who are Domiciled in any four Eligible Countries	N/A	68.8 per cent.	68.8 per cent.
Obligors each of which has total original indebtedness under their	N/A	0 per cent.	0 per cent.

respective loan agreements and other Underlying Instruments of less than EUR 150,000,000 (or its equivalent in any currency)

As at the Initial Measurement Date, the Aggregate Collateral Balance shall be deemed to be the Aggregate Principal Balance of all Initial Portfolio Assets (including the Aggregate Principal Balance of the Initial Portfolio Assets that are expected to settle on or prior to the Effective Date).

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

Class	Required Par Value Ratio (per cent.)
A/B	132.30
C	121.00
D	114.35
E	107.75
F	105.25

Class	Required Interest Coverage Ratio (per cent.)
A/B	120.00
C	110.00
D	105.00
E	N/A
F	N/A

Calculation of Portfolio Profile Tests, Collateral Quality Tests and Coverage Tests ..... With respect to the calculation of the Portfolio Profile Tests, Collateral Quality Tests and Coverage Tests, (a) obligations which are to constitute Portfolio Assets and/or Substitute Portfolio Assets in respect of which a binding commitment has been made to purchase such obligations and/or Substitute Portfolio Assets but such purchase has not been settled shall nonetheless be deemed to have been

purchased; (b) Portfolio Assets and/or Substitute Portfolio Assets in respect of which a binding commitment has been made to sell such Portfolio Asset and/or Substitute Portfolio Assets but such sale has not yet settled shall nonetheless be deemed to have been sold and, in either case, without double counting any such Portfolio Assets and/or Substitute Portfolio Assets and any cash payments to be made, or as the case may be, received.

The Offering

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

The Rule 144A Notes of each Class will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

Form, Registration and Transfer of the Notes: ..... The Regulation S Notes of each Class sold outside the United States to institutions that are non-U.S. Persons in reliance on Regulation S may be represented on issue by beneficial interests in one or more Regulation S Global Certificates or may in some cases be represented by Regulation S Definitive Certificates, in each case, in fully registered form, without interest coupons or principal receipts, which Regulation S Global Certificates will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary acting on behalf of Euroclear and Clearstream, Luxembourg and which Regulation S Definitive Certificates will be registered in the name of the registered holder thereof. Beneficial interests in a Regulation S Global Certificate may at any time be held only through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*". Interests in any Regulation S Note may not at any time be held by any U.S. Person or U.S. Resident.

The Rule 144A Notes of each Class sold in reliance on Rule 144A within the United States to persons and outside the United States to U.S. Persons, in each case, who are QIBs may be represented on issue by beneficial interests in one or more Rule 144A Global Certificates or may in some cases be represented by Rule 144A Definitive Certificates, in each case, in fully registered form, without interest coupons or principal receipts, which Rule 144A Global Certificates will be deposited on or about the Issue Date with a custodian for, and registered in the name of, a nominee of DTC and which Rule 144A Definitive Certificates will be registered in the name of the registered holder thereof. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by DTC.

The Rule 144A Global Certificates will bear a legend and such Rule 144A Global Certificates, or any interest therein, may not be transferred except in compliance with

the transfer restrictions set out in such legend. See "*Transfer Restrictions*".

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

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

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

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

Governing Law: ..... The Notes, the Trust Deed, the Investment Management Agreement, the Collateral Administration and Agency Agreement and all other Transaction Documents (save for the Euroclear Pledge Agreement which will be governed by Belgian law and the Administration Agreement which will be governed by the laws of Ireland) 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 (the "**Official List**") and trading on the Global Exchange Market of the Irish Stock Exchange (the "**Global Exchange Market**"). It is anticipated that listing and admission to trading will take place on or about the Issue Date. There can be no assurance that such listing and admission to trading will be granted or maintained. Upon approval by and filing with the Irish Stock Exchange, this document will constitute a "listing particulars" for the purposes of such application. The final copy of the "listing particulars" will be available from the website of the Irish Stock Exchange. See "*General Information*".
Certain ERISA Considerations:	See "*Certain Employee Benefit Plan Considerations*".
Tax Status:	See "*Certain Tax Considerations*".
Withholding Tax:	No gross up of any payments to the Noteholders in respect of amounts deducted or withheld for or on account of tax is required of the Issuer. See Condition 9 (*Taxation*).
Retention Requirements:	See "*Retention Requirements*".
Additional Issuances:	Subject to certain conditions being met, additional Subordinated Notes may be issued and sold. See Condition 17 (*Additional Issuances*).

RISK FACTORS

An investment in the Notes of any Class involves certain risks, including risks related to the Portfolio Assets securing such Notes and risks relating to the structure and rights of such Notes and related arrangements. There can be no assurance that the Issuer will not incur losses on the Portfolio Assets 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 any 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 of the Notes".*

1. General Commercial Risks

1.1 General

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

1.2 Suitability

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

1.3 Limited Resources of Funds to Pay Expenses of the Issuer

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

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

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

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

1.5 Events in the CLO and Leveraged Finance Markets

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

The ability of the Issuer to make payments on the Notes may depend on the general economic climate. In addition, the business, financial condition or results of operations of the Obligors of the Portfolio Assets or obligors in respect of other assets comprised in the Portfolio may be adversely affected by a worsening of economic and business conditions. To the extent that economic and business conditions deteriorate, non-performing assets are likely to increase, and the value and collectability of the Portfolio Assets and other assets comprised in the Portfolio are likely to decrease. A decrease in market value of the Portfolio Assets and the other assets comprised in the Portfolio would also adversely affect the Sale Proceeds that could be obtained upon the sale of the Portfolio Assets and the other assets comprised in the Portfolio 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 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 (*Euro and Euro zone Risk*) below, it is possible that countries that have adopted the Euro could return to a national currency. The effect on a national economy as a result of leaving the Euro is impossible to predict, but is likely to be negative. The exit of one or more countries from the Euro zone could have a destabilising effect on all European economies and possibly the global economy as well.

In addition, Obligors of Portfolio Assets may be organised in, or otherwise Domiciled in, certain of such countries currently suffering from economic distress, or other countries that may begin to suffer economic distress, and the uncertainty and market instability in any such country may increase the likelihood of default by such Obligor. In the event of its insolvency, any such Obligor, by virtue of being organised in such a jurisdiction or having a substantial percentage of its revenues or assets in such a jurisdiction, may be more likely to be subject to bankruptcy or insolvency proceedings in such jurisdiction at the same time as such jurisdiction is itself potentially unstable.

A continuing decreased ability of Obligors to obtain refinancing (particularly as high levels of required refinancings approach) may result in an economic decline that could delay an economic recovery and cause a deterioration in loan performance generally and defaults of Portfolio Assets. It is impossible to determine with any degree of certainty whether such trends in the credit markets will continue, improve or worsen in the future.

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

Many financial institutions, including banks, continue to suffer from capitalisation issues. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Issuer, particularly if such financial institution is a counterparty to a buy or sell trade that has not settled with respect to a Portfolio 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 Portfolio and the Notes.

In recent years, events in the collateralised debt obligation (including collateralised loan obligation), leveraged finance and fixed income markets have contributed to a severe liquidity crisis in the global credit markets which has 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 the conditions giving rise to such price fluctuations and limited liquidity will not continue or become more acute following the Issue Date. During periods of limited liquidity and higher price volatility, the Issuer's ability to acquire or dispose of Portfolio Assets at a price and time that the Issuer deems advantageous may be severely impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and the Issuer's inability to dispose fully and promptly of positions in declining markets may exacerbate losses suffered by the Issuer when Portfolio Assets are sold. Furthermore, significant additional risks for the Issuer and investors in the Notes exist. Those risks include, among others, (i) the possibility that, after the Issue Date, the prices at which Portfolio Assets can be sold by the Issuer will have deteriorated from their purchase price, (ii) the possibility that opportunities for the Issuer to sell its Portfolio Assets in the secondary market, including Credit Impaired Obligations and Defaulted Obligations, may be impaired, and (iii) increased illiquidity of the Notes because of reduced secondary trading in CLO securities. These additional risks may affect the returns on the Notes to investors or otherwise adversely affect Noteholders.

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

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 Investment Manager in managing and administering the Portfolio.

While it is possible that current conditions may improve for certain sectors of the global economy, there can be no assurance that the CLO, leveraged finance or structured finance markets will recover from an 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.

The economic crisis in Greece is particularly acute and topical. Extraordinary capital and banking controls were introduced which have been interpreted by certain market participants as a precursor to further adverse developments in Greece (including the possibility of a sovereign default by Greece and corporate defaults in Greece). These developments have heightened the already significant degree of uncertainty in the global markets generally and the importance of the risks described below.

Concerns persist that certain Euro zone countries could become subject to economic instability, thereby increasing 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.

The introduction of capital controls by the Greek Ministry of Finance and the Greek referendum on 5 July 2015 has highlighted that the Euro zone sovereign debt crisis has not yet been resolved. It should be noted that Greece has recently failed to make payments on a number of its debts and that the Greek government remains in continuing negotiations to restructure its debt obligations and agree a rescue plan. If a rescue plan for Greece is not agreed, additional defaults on its debt occur and/or it exits the Euro zone, this could have a material adverse effect on the Euro zone and other economies. Further developments in the crisis may lead to a variety of different outcomes including further capital controls and 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. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes. Investors should carefully consider how changes to the Euro zone may affect their investment in the Notes.

A referendum on UK membership of the European Union will be held on 23 June 2016. The referendum may affect the Issuer's risk profile through introducing potentially significant new uncertainties and instability in financial markets ahead of the date of the referendum and, depending on the outcome, after the event. These uncertainties could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects. In addition, it is unclear at this stage what the consequences would be for the Issuer or the Investment Manager or any other transaction party should the UK leave the European Union.

1.7 LIBOR and EURIBOR Reform

The London Inter-Bank Offered Rate ("**LIBOR**") is currently being reformed, including (i) the replacement of the BBA with ICE Benchmark Administration Limited as LIBOR administrator (completion of which has occurred), (ii) a new code of conduct for banks; (iii) reduction in the number of currencies and tenors for which LIBOR is calculated, and (iv) changes in the way that LIBOR is calculated, by compelling more banks to provide LIBOR submissions and basing these submissions on actual transaction data.

The Euro Interbank Offered Rate ("**EURIBOR**") and other so-called "benchmarks" are the subject of proposals for reform by a number of international authorities and other bodies. In September 2013, the European Commission published a proposed regulation (the "**Proposed Benchmark Regulation**") on indices used as benchmarks in financial instruments and financial contracts. While further drafts of the Proposed Benchmark Regulation have been published as it progresses through the EU legislative process, it is presently unclear in what form it may be passed (including its broad scope and applicable extraterritorial and transitional provisions) and, if so, when it would be effective.

The Proposed Benchmark Regulation, if passed in its September 2013 form, would apply principally to "administrators" and also, in some respects, to "contributors" and certain "users" of "benchmarks", and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and make significant changes to the way in which benchmarks falling within scope of the Proposed Benchmark Regulation are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors) and (ii) prevent certain uses of "benchmarks" provided by unauthorised administrators by supervised entities in the EU. The scope of the Proposed Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue, financial contracts and investment funds.

The Proposed Benchmark Regulation, if passed in its September 2013 form, will make significant changes to the way in which EURIBOR is calculated, including detailed codes of conduct for contributors and transparency requirements applying to contributions of data. Benchmarks such as EURIBOR may be discontinued if they do not comply with these requirements, or if the administrator of the benchmark either fails to apply for authorisation or is refused authorisation by its home regulator.

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

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

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

Investors should be aware that:

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

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

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

(d) if the EURIBOR benchmarks referenced in Condition 6 (*Interest*) are discontinued, interest on the Notes will be calculated under Condition 6(e) (*Interest on the Rated Notes*); and

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

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

1.8 Limited Ability to Reinvest

Each Portfolio Asset acquired or committed to be acquired by the Issuer pursuant to the Collateral Acquisition Agreements as at the Issue Date will be retained by the Issuer even if it would be in the best interests of the Issuer and the holders of the Notes to assign or dispose of certain Portfolio Assets, unless such Portfolio Assets are designated as Defaulted Obligations or Credit Impaired Obligations, in which case such obligations may be disposed of by the Investment Manager subject to certain conditions and pursuant to the terms of the Investment Management Agreement. In addition, circumstances may exist under which it is in the best interests of the Issuer or the holders of the Notes to assign or dispose of a Defaulted Obligation and/or a Credit Impaired Obligation on behalf of the Issuer, but in which the Investment Manager is not able to assign or dispose of such Portfolio Asset in accordance with the terms of the Investment Management Agreement. Except, in the case of the Issuer and the Investment Manager, to the limited extent specified herein, there is no requirement on the part of the Issuer, the Investment Manager, the Retention Holder, the Trustee or the Collateral Administrator to ensure ongoing compliance with the Portfolio Profile Tests, the Collateral Quality Tests or the Eligibility Criteria. In any case, the services of the Investment Manager as set out in "*Description of the Investment Management Agreement*" shall be provided to the Issuer only, other than after a Note Event of Default which has not been remedied or waived, when the Investment Manager shall act on behalf of the Trustee. The Investment Manager will have no duties (including any fiduciary duties) or responsibilities to the Arranger or the Noteholders and no fiduciary duties to the Issuer or the Trustee.

2. Regulatory Initiatives

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

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

2.1 Risk Retention and Due Diligence

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) the investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including but not limited to its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the Notes acquired by the relevant investor.

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.

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 Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator, the Agents, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose or that the structure of the Notes and the transactions described herein are compliant with the 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.

Investors should note that the EBA published a report on 22 December 2014 (the "**EBA Report**"). In the EBA Report, the EBA suggested, amongst other things, that the definition of "originator" should be narrowed in order to avoid potential abuses. Following the EBA Report, on 30 September 2015, the European Commission published a proposal for a new regulation (the "**Securitisation Regulation**") which would, amongst other things, re-cast the EU risk retention rules as part of wider changes to establish a "Capital Markets Union" in Europe (including, but not limited to, the imposition of a direct retention obligation on eligible risk retainers, transparency and due diligence requirements, as well as certain restrictions in connection with the retention of risk as an originator). Investors should be aware that there are material differences between the current EU Risk Retention and Due Diligence Requirements and the Securitisation Regulation. At this time, the Securitisation Regulation is in draft form and is subject to negotiation with and subsequent adoption by the European Council of Ministers and the European Parliament. It is therefore uncertain at this time as to whether the Securitisation Regulation will be adopted in the form currently proposed by the European Commission. Whilst it is expected that the Securitisation Regulation will become effective during 2017, the timing for adoption is also currently uncertain. In its current form, the Securitisation Regulation permits some grandfathering of transactions which have been issued prior to the effective date of the final regulation in respect of the risk retention requirements set out therein (save in respect of certain requirements such as due diligence requirements which are currently

proposed to be applied retrospectively). There can be no assurance that the Securitisation Regulation, and in particular the grandfathering provisions, will be adopted in the form currently proposed by the European Commission. If, upon entry into force of the Securitisation Regulation such regulation and the reporting requirements thereunder apply to the Issuer, the Issuer has agreed to assume the costs of compliance and making amendments to the Transaction Documents. Any costs incurred by the Issuer in connection with satisfying the requirements of the Securitisation Regulation will be paid by the Issuer as Administrative Expenses. In such circumstances the Issuer will establish and maintain a website or will procure that a website is established and maintained, in each case, for the purposes of ensuring compliance with the Securitisation Regulation.

Investors should therefore make themselves aware of the EU Risk Retention and Due Diligence Requirements, the proposed Securitisation Regulation (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Retention Holder to retain a material net economic interest in the securitisation, see "*Retention Requirements*" below.

2.2 Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**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 in AIFMD, it would need to be managed by a manager authorised under AIFMD (an "**AIFM**"). (See 2.1 "*Risk Retention and Due Diligence*") 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. However, the Central Bank of Ireland has confirmed that pending such further clarification from ESMA, "registered financial vehicle corporations" with the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank, such as the Issuer, do not need to seek authorisation as an AIF or appoint an AIFM unless the Central Bank of Ireland issues further guidance advising them to do so.

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

2.3 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 requires 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 United States. Once fully implemented, the Dodd-Frank Act will affect many aspects, in the U.S. and internationally, of the business of the Investment Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivatives and other activities. While many regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, some implementing regulations currently exist only in draft form and are subject to comment and revision, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the businesses of the Investment 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 U.S. Risk Retention Rules was adopted on October 21 and October 22, 2014. See "*US Risk Retention*" below.

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 offering circular 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.

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

2.4 Volcker Rule

Section 619 of the Dodd-Frank Act added the Volcker Rule to U.S. federal banking law, which generally prohibits various covered banking entities from engaging in proprietary trading, or from acquiring or retaining an "ownership interest" in, or sponsoring or having certain relationships with, certain private equity or hedge funds (referred to as "covered funds"), subject to certain exemptions. The Volcker Rule also provides for certain supervised nonbank financial companies that engage in such activities or have such interests or relationships to be subject to additional capital requirements, quantitative limits or other restrictions. The Volcker Rule became effective 21 July 2012, although banking entities will have until 21 July 2016 to bring any existing relationships with and investments in covered funds into full conformance. In addition, the U.S. Federal Reserve has announced that it intends during 2015 to grant a final, 1-year extension of such conformance period. If the U.S. Federal Reserve in fact grants such extension, banking entities will have until 21 July 2017 to bring any existing relationships and investments into full conformance. The final regulations implementing the Volcker Rule were issued on 10 December 2013.

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

If the Issuer were determined not to qualify for Rule 3a-7 exemption, or were otherwise determined to be a covered fund, then covered banking entities and other entities subject to the Volcker Rule would be restricted from acquiring and retaining certain ownership interests in the Issuer. The Volcker Rule and interpretations thereunder are still uncertain, may restrict or discourage the acquisition of Notes by such entities, and may adversely affect the liquidity of the Notes. Although the Volcker Rule provides limited exceptions and exemptions to its prohibitions, each investor in the Notes must make its own determination as to whether it is subject to the Volcker Rule, whether its investment in the Notes would or could in the future be restricted or prohibited under the Volcker Rule, whether any extension of the Volcker Rule conformance period would be applicable to such investor's investment in the Notes, and the potential impact of the Volcker Rule on its investment, any liquidity in connection therewith and on its portfolio generally. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Initial Purchaser, the Retention Holder, the Collateral Administrator, the Agents, the Investment Manager, the Trustee or any of their Affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the application of the Volcker Rule to the Issuer, or to such investor's investment in the Notes on the Issue Date or at any time in the future.

2.5 US Risk Retention

On 21 October 2014, the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the "**U.S. Risk Retention Rules**") were issued. The U.S. Risk Retention Rules generally require the investment manager of a CLO to retain not less than five per cent. of the credit risk of the assets collateralizing the CLO issuer's securities. The U.S. Risk Retention Rules will become effective with respect to CLO transactions on 24 December 2016. While the U.S. Risk Retention Rules will not apply to the issuance and sale of the Notes on the Issue Date, the U.S. Risk Retention Rules may have other adverse effects on the Issuer and/or the holders of the Notes. The U.S. Risk Retention Rules would apply to any additional Notes issued after the Issue Date or any Refinancing, if such subsequent issuance or Refinancing occurs on or after the effective date of the U.S. Risk Retention Rules. In addition, the SEC has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" or a "sale" of securities may arise when amendments to securities are so material as to require holders to make an "investment decision" with respect to such amendment. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, they could apply to material amendments to this Offering Circular and the Notes, including a re-pricing, to the extent such amendments

require investors to make an investment decision. As a result, the U.S. Risk Retention Rules may adversely affect the Issuer (and the performance and market value of the Notes) if the Issuer is unable to undertake any such additional issuance or Refinancing and may affect the liquidity of the Notes. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Rules would have any future material adverse effect on the business, financial condition or prospects of the Investment Manager or the Issuer or on the market value or liquidity of the Notes.

2.6 **CRA 3**

Regulation of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies ("**CRA3**") came into force on the 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 adopted a delegated regulation, detailing the scope and nature of the required disclosure. However, the reporting requirements will only 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 but if a template for CLO transactions were to be published and the website for disclosure were to be set up by ESMA, on and after the application date of the disclosure obligations, 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.

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

2.7 **Reliance on Rating Agency Ratings**

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

2.8 **S&P**

On 21 January 2015, the SEC entered into administrative settlement agreements with S&P with respect to, among other things, multiple allegations of making misleading public statements with respect to its ratings methodology and certain misleading publications concerning criteria and research, in each case relating to commercial mortgage-backed securities transactions. S&P neither admitted nor denied the charges in these settlements. As a result of these settlement agreements, the SEC ordered S&P censured and enjoined S&P from violating the statutory provisions and rules related to the allegations described above. Additionally, S&P agreed to pay civil penalties and other disgorgements exceeding $76 million. Finally, S&P agreed to refrain from giving preliminary or final ratings for any new issue U.S. conduit commercial mortgage-backed securities transaction until 21 January 2016.

On 3 February 2015, S&P entered into a settlement agreement with the United States Justice Department, 19 States and the District of Columbia, to settle lawsuits relating to S&P's alleged inflation of ratings on subprime mortgage bonds. S&P did not admit to any wrongdoing in connection with such settlement. Also on 3 February 2015, S&P entered into a settlement agreement with the California Public Employees Retirement System to resolve claims over three structured investment vehicles. Under the 3 February 2015 settlement agreements, S&P agreed to pay approximately $1.5 billion in the aggregate to the related claimants.

None of these settlement agreements involve S&P's collateralised loan obligation rating business.

2.9 **Basel III**

The Basel Committee on Banking Supervision ("**BCBS**") has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as "**Basel III**") and has proposed certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio ("**NSFR**")). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (for example, the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, 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 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.

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

2.10 **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.

3. **Relating to the Notes**

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

Currently, no market exists for the Notes. None of the Initial Purchaser, the Arranger and the Co-Arranger are under any obligation to make a market for the Notes. The Notes are illiquid investments. Each of the Arranger, the Co-Arranger, the Initial Purchaser and their respective Affiliates, as part of their activities as broker and dealer in fixed income securities, intends to make a secondary market in relation to the Notes (other than the Subordinated Notes), but is not obliged to do so. Any indicative prices provided by the Arranger, the Co-Arranger, the Initial Purchaser or their Affiliates shall be determined in the Arranger's, the Co-Arranger's and Initial Purchaser's discretion taking into account prevailing market conditions and shall not be a representation that any instrument can be purchased or sold at such prices (or at all). Notwithstanding the above, the Arranger, the Co-Arranger, the Initial Purchaser or their Affiliates may suspend or terminate making a market and providing indicative prices without notice, at any time and for any reason.

There can be no assurance that any secondary market for any of the Notes will develop, or if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or 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. Where a market does exist, there can be no assurance that any available sale price will be at par. In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of the Issuer or any of their officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action. 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.

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

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

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

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

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

The Notes are limited recourse obligations of the Issuer. Therefore, amounts due on the Notes are payable solely from the Portfolio Assets and all other Collateral secured by the Issuer for the benefit of the Noteholders and other Secured Parties pursuant to the Priorities of Payment. None of the Trustee, the Collateral Administrator, the Agents, the Investment Manager, the Initial Purchaser, the Retention Holder, the Arranger, the Co-Arranger or any of their respective Affiliates or the Issuer's Affiliates or any other Person or entity (other than the Issuer) will be obliged to make payments on the Notes. Consequently, Noteholders must rely solely on distributions on the Portfolio Assets and, after a Note Event of Default, proceeds from the liquidation of the Collateral for payments on the Notes. If distributions on such Portfolio Assets are insufficient to make payments on the Notes, no other assets (in particular, no assets of the Investment Manager, the Noteholders, the Initial Purchaser, the Arranger, the Co-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. Following realisation of the Collateral and the application of the proceeds thereof in accordance with the Priorities of Payment, the obligations of the Issuer to pay such deficiency shall be extinguished. Such shortfall will be borne by the Noteholders and the other Secured Parties in accordance with the Priorities of Payment.

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

3.5 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 Payment described herein. There can be no assurance that the distributions on the Portfolio will be sufficient to make distributions to holders of the Subordinated Notes after making payments that rank senior to payments on the Subordinated Notes. The Issuer's ability to make distributions to the holders of the Subordinated Notes will be limited by the Terms and Conditions of the Notes and the Trust Deed. If distributions on the Portfolio are insufficient to make distributions on the Subordinated Notes, no other assets will be available for any such distributions.

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

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

on the Subordinated Notes. Payment of interest on the Subordinated Notes on each Payment Date will be subordinated in right of payment to payment of interest in respect of the Rated Notes.

Except in the case of a Refinancing where Rated Notes may be redeemed in any order, the following will apply. No amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class 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; **provided that** certain Interest Proceeds will be available for payment of principal in respect of the Class F Notes subject to and in accordance with the Interest Priority of Payments. Subject to the applicability of the Acceleration Priority of Payments, the Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal Priority of Payments on a *pari passu* basis. Payments on the Subordinated Notes are subordinated to payments on the Rated Notes and other amounts described in the Priorities of Payment and no payments out of Principal Proceeds will be made on the Subordinated Notes until the Rated Notes and other payments ranking prior to the Subordinated Notes in accordance with the Priorities of Payment are paid in full.

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

3.7 Amount and timing of payments

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

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

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

As described above, failure to pay scheduled interest on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes or to pay interest and principal on the Subordinated Notes at any time even where such Class of Notes is the Controlling Class, will not be a Note Event of Default. Holders of such Classes of Notes

will consequently have no right to accelerate their Notes or to direct that the Trustee take enforcement action with respect to the Collateral to recover the principal amount of their Notes outstanding in such circumstances.

3.8 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 Assets purchased by the Issuer. Each prospective investor should consider the risk that a Note Event of Default and other adverse performance will result in a lower yield on the Subordinated Notes than that anticipated by such investor. In addition, if the Portfolio Assets (in aggregate) fail any Coverage Test, amounts that would otherwise be distributed to the holders of the Subordinated Notes on any Payment Date may be paid to other investors in accordance with the Priorities of Payment. Each prospective investor should consider that any such adverse developments could result in its failure to recover fully its initial investment in the Subordinated Notes.

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

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

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

3.11 The Reinvestment Period may terminate early

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.15 **Optional Re-Pricing**

On any Business Day on or after the expiration of the Non-Call Period, at the direction of (i) the Investment Manager with the consent of the Subordinated Noteholders (acting by way of Ordinary Resolution) or (ii) the Subordinated Noteholders (acting by way of Ordinary Resolution) with the consent of the Investment Manager, the Issuer shall reduce the Applicable Margin with respect to any Class of Rated Notes. Such Re-Pricing could occur for example, if interest rates on investments similar to any such Class of Rated Notes, as applicable, fall below current levels and may occur at a time when the applicable Class of Rated Notes are trading in the market at a premium. The exercise of the Re-Pricing option may reduce or eliminate such premium on such Class of

Rated Notes, and may occur at a time when other investments bearing the same rate of interest relative to the level of risk assumed may be difficult or expensive to acquire. See Condition 6(j) (*Optional Re-Pricing*).

In addition, if any Noteholders of a Re-Priced Class do not consent to the proposed Re-Pricing within the time period described herein, the Issuer (or a broker-dealer acting on behalf of the Issuer) will have the right to cause the non-consenting holders to sell their Notes of the Re-Priced Class on the Re-Pricing Date to one or more transferees at a sale price equal to par plus accrued interest to (but excluding) the Re-Pricing Date. The consequence of such a sale to such non-consenting holder will be similar to that of an early redemption of such Class of Rated Notes, as applicable.

For a discussion of certain material U.S. federal income tax consequences of a Re-Pricing to U.S. Holders, see "*Tax Considerations - Certain U.S. Federal Income Tax Considerations – U.S. Federal Tax Treatment of U.S. Holders of Rated Notes – Re-Pricing*".

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

The Rated Notes accrue interest at EURIBOR. The interest rate may fluctuate from one 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 the Issuer, the Collateral Administrator, the Investment Manager, the Initial Purchaser, the Arranger, the Co-Arranger or any of their Affiliates make no representation as to what EURIBOR will be in the future.

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

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

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

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

3.17 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. The average lives of each Class of Notes will be determined by the amount and frequency of principal repayments in respect of such Class, which are dependent upon, among other things, the amount of payments

received at or in advance of the scheduled maturity of the Portfolio Assets (whether through sale, maturity, redemption, default or other liquidation or disposition) which may be applied in redemption of the Notes and whether any redemptions of the Notes occur pursuant to a mandatory redemption event. The actual average lives and actual maturities of the Notes will be affected by the financial condition of the Obligors under the underlying Portfolio Assets and the characteristics of such obligations, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, the actual default rate, the actual level of recoveries on any Defaulted Obligations and the timing of defaults and recoveries, and the frequency of tender or exchange offers for such Portfolio Assets. The Portfolio Assets are generally expected to be subject to optional redemption or prepayment by the Obligor thereunder. Any disposition of a Portfolio Asset may change the composition and characteristics of the Portfolio Assets and the rate of payment thereon and, accordingly, may affect the actual average lives of the Notes. The rate of and timing of future defaults and the amount and timing of any cash realisation from Defaulted Obligations also will affect the maturity and average lives of the Notes as will the ability and discretion of the Investment Manager on behalf of the Issuer to sell any Credit Impaired Obligations in the manner described under "*Description of the Portfolio*".

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

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

3.19 Certain ERISA considerations

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

3.20 Changes in tax law; no gross up

At the time when they are acquired by the Issuer, Portfolio Assets must provide, pursuant to the Eligibility Criteria, that payments in respect of the Portfolio Assets to the Issuer will not be subject to withholding or deduction for or on account of tax imposed by any jurisdiction (other than U.S. withholding taxes on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees, or similar fees) unless either: (i) such withholding or deduction for or on account of tax can be eliminated by application being made under the applicable double tax treaty or pursuant to the provision of any relevant documentation under any domestic legislation; or (ii) the Obligor is required to make "gross up" payments to the Issuer that cover the full amount of any such withholding or deduction on an after-tax basis.

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 Portfolio Assets will not in the future become subject to withholding or deduction for or on account of tax or increased withholding rates in respect of which the relevant Obligor 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 Ireland and the jurisdiction from which the relevant payment is made or (b) the current applicable law in the jurisdiction of the Obligor. If the Issuer receives any interest payments on any Portfolio Asset net of any applicable withholding tax, the

Coverage 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 Portfolio Assets received by the Issuer would be sufficient to make timely payments of interest, principal on the Maturity Date and other amounts payable in respect of the Notes of each Class.

3.21 UK Taxation of the 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 situated in the UK.

The Issuer will not be treated as being tax resident in the UK provided that the central management and control of the Issuer is in Ireland. 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 fixed place of business in the UK or it has an agent in the UK who has and habitually exercises authority in the UK to do business on the Issuer's behalf. The Issuer does not intend to have a fixed place of business in the UK. The Investment Manager will, however, have and is expected to exercise authority to do business on behalf of the Issuer pursuant to the Investment Management Agreement.

The Issuer should not be subject to UK tax in consequence of the activities which the Investment Manager carries out on its behalf provided that the Issuer's activities are regarded as investment activities rather than trading activities. Even if the Issuer is regarded as carrying on a trade in the UK through the agency of the Investment Manager for the purposes of UK taxation, it 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.

Even if the foregoing exemption were not available, the Issuer will not be subject to UK tax if the exemption in Article 5(6) of the UK-Ireland double taxation treaty applies. This exemption will apply if the Investment Manager is regarded as an independent agent acting in the ordinary course of its business for the purpose of the UK-Ireland double taxation treaty. It should be noted that the specific domestic UK tax exemption for profits generated in the UK by an investment manager on behalf of its non-resident clients (section 1146 of the Corporation Tax Act 2010) may not be available in the context of this transaction if the Investment Manager (or certain connected entities) holds more than 20 per cent. of the Subordinated Notes. However, the inapplicability of this domestic exemption should not, in accordance with HM Revenue and Customs guidance which is current as at the date of this Preliminary Offering Circular, have any effect on the UK tax position of the Issuer if the exemption in Article 5(6) of the UK-Ireland double taxation treaty, as referred to above, applies.

Should the Investment Manager be assessed to UK tax on behalf of the Issuer, the Investment Manager will be entitled to an indemnity from the Issuer in certain circumstances. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer. It should be noted that UK tax legislation makes it possible for the H.M. Revenue & Customs to seek to assess the Issuer to UK tax directly rather than through the Investment Manager as its UK representative. Should the Issuer be assessed on this basis, the Issuer will be liable to pay UK tax on its UK taxable profit attributable to its UK activities. 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.

3.22 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 who enter into transactions on behalf of certain overseas persons and in respect of which the Investment Manager Exemption would apply and a general exemption where the activities of the non-UK resident company in the United Kingdom are carried out by an agent of independent status which is not connected to such non-UK resident company.

3.23 EU Savings Directive

Under Council Directive 2003/48/EC (as amended) on the taxation of savings income (the "**EU Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State. For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, in order to prevent overlap between the EU Savings Directive and provisions relating to a common reporting standard framework (being the Standard for Automatic Exchange of Financial Account Information in Tax Matters published on 21 July 2014 by the OECD and Council Directive 2014/107/EU on Administrative Co-operation in the Field of Taxation), the Council of the European Union, on 10 November 2015, published a directive which will repeal the EU Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The repeal will be subject to transitional provisions imposing on-going requirements to fulfil certain administrative obligations such as reporting and exchange of information relating to, or accounting for withholding taxes, on payments made before those dates.

If a payment were to be made or collected through a Member State of the European Union which operates a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Principal Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Pursuant to Condition 8(d) (*Registrar, Paying Agents and Transfer Agent*), the Issuer is required to maintain a paying agent in a Member State that is not obliged to withhold or deduct tax pursuant to, the EU Savings Directive, or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any other law implementing or complying with, or introduced in order to conform to, the EU Savings Directive or any arrangement entered into between the Member States and certain third countries and territories in connection with such Directive.

3.24 Common Reporting Standard ("CRS")

The Common Reporting Standard ("**CRS**") framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Standard**") was published, involving the use of two main elements, the Competent Authority Agreement ("**CAA**") and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions ("**FIs**") relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and, as a result, the Standard is broadly similar to the FATCA requirements, albeit with numerous differences. One such difference is that no withholding tax is imposed under

the Standard as it is under FATCA. Adoption of the Standard will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

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

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and creates a mandatory obligation for all Member States to exchange financial account information in respect of residents in other Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year. The Irish Finance Act 2015 contained measures necessary to implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the "**Regulations**"), giving effect to DAC II from 1 January 2016, came into operation on 31 December 2015.

Under the Regulations a reporting FI, such as the Issuer, is required to collect certain information (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate)) on holders of the Notes and on certain Controlling Persons (as defined in the CRS) in the case of the holder of the Notes being an Entity (as defined in the CRS), in order to identify accounts which are reportable to the Irish Revenue Commissioners. The Irish Revenue Commissioners shall in turn exchange such information with their counterparts in participating jurisdictions. However, to the extent that the Notes are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year. In that event the Issuer is required to make a nil return for that year to the Irish Revenue Commissioners. Further information in relation to the CRS and DAC II can be found on the Automatic Exchange of Information (AEOI) webpage on www.revenue.ie

3.25 **U.S. Tax Risks**

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

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

U.S. trade or business

Although the Issuer intends to operate so as not to be subject to U.S. federal income tax on its net income, 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 federal income tax purposes and that is itself engaged in a trade or business in the United States), including upon a foreclosure, or breach certain of its other covenants, the Issuer could be engaged in a U.S. trade or business for U.S. federal income tax purposes. Moreover, a breach of certain of these covenants may not give rise to a Note Event of Default under the Trust Deed or a "cause" event under the Investment Management Agreement and may not give rise to a claim against the Issuer or the Investment 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.

FATCA

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

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 (other than the Retention Notes), and, if the Noteholder does not sell its Notes (other than the Retention Notes) within 10 business days after notice from the Issuer, to sell the Noteholder's Notes on behalf of the Noteholder. There can be no assurance, however, that these measures will be effective, and that the Issuer and holders of the Notes will not be subject to withholding taxes under FATCA. The imposition of such taxes could materially affect the Issuer's ability to make payments on the Notes or could reduce such payments and the costs of compliance with FATCA may be significant.

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 "*Certain Tax Considerations - Certain U.S. Federal Income Tax Considerations*") may be able to avoid these adverse consequences by filing a "protective" qualified electing fund election with respect to their Class E Notes and Class F Notes. See "*Certain Tax Considerations - Certain U.S. Federal Income Tax Considerations – U.S. Federal Tax Treatment of U.S. Holders of Rated Notes - Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes*."

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 your investment in a Note, please see the summary under "*Certain Tax Considerations - Certain U.S. Federal Income Tax Considerations*" below.

3.26 **Forced transfer**

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

The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines at any time that any holder of an interest in a Rule 144A Note is a U.S. person as defined under Regulation S under the Securities Act (a "**U.S. Person**") and is not a QIB (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 an institution that is not a U.S. Person or is a QIB 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.

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

Finally, following a Re-Pricing of the Notes pursuant to Condition 6(j)(*Optional Re-Pricing*), if any holders of a Re-Priced Class do not consent to the proposed Re-Pricing within the time period described herein, the Issuer (or a broker-dealer acting on behalf of the Issuer) will have the right to cause the non-consenting holders to sell their Rated Notes of the Re-Priced Class on the Re-Pricing Date to one or more transferees at a sale price equal to par plus accrued interest to (but excluding) the Re-Pricing Date.

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

Centre of main interest

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

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended to facilitate the survival of Irish companies in financial difficulties. The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to halt, prevent or rectify acts or omissions, by or on behalf of the company after his appointment and, in certain circumstances, negative pledges given by the company prior to his appointment will not be binding on the company. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

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

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

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

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

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

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

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

Preferred Creditors

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

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

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

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

3.28 **Withholding tax on the Notes**

Although no withholding or deduction for or on account of tax is currently imposed on payments of interest or principal 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 for or on account of tax where so required by law or any relevant taxing authority or in connection with FATCA. The Issuer is not required to make any "gross up" payments in respect of any withholding or deduction for or on account of 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 or deduction for or on account of tax, the Notes may be redeemed in whole but not in part at the direction of the holders of each of the Controlling Class or the Subordinated Notes, in each case acting by way of Ordinary Resolution, subject to certain conditions including a threshold test pursuant to which determination is made as to whether the anticipated proceeds of liquidation of the security over the Collateral would be sufficient to pay all amounts due and payable on the Rated Notes in such circumstances and in accordance with the Priorities of Payment.

3.29 **The Issuer may be subject to third party litigation; the Issuer 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 against claims against the Issuer by third parties, including bankruptcy or insolvency proceedings, and paying any amounts pursuant to settlements or judgments would, except in the unlikely event that 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, the Investment Manager and the Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited to amounts available to make such payments in accordance with the Priorities of Payment. If such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer, the Trustee, the Collateral Administrator, the Agents, the Administrator, and/or the Investment 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 Ireland and potentially being removed from the register of companies and dissolved in the event that suitable replacement directors cannot be identified.

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

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

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

3.31 **Characterisation of Notes**

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

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

In February 2013 the European Commission published a proposal for a Council Directive implementing enhanced cooperation for a financial transaction tax ("**FTT**") requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia, (the "**Participating Member States**"). Estonia has since decided not to participate. Additional Member States may decide to participate.

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.

At this stage, it is too early to say whether the proposed FTT will be adopted and in what form. Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to implementation. While the proposal for a Council Directive identified the date of introduction of the FTT across the Participating Member States as being 1 January 2014, a subsequent joint statement by the finance ministers of the Participating Member States (except for Slovenia) published on 6 May 2014 identified the revised date of introduction of the FTT as being 1 January 2016 at the latest.

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. 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 remained 1 January 2016.

However, a publication by the Luxembourg Presidency of the Council of the European Union (the "**Luxembourg Presidency**") on 3 December 2015 set out the 'state of play' in relation to the FTT. In that publication, the Luxembourg Presidency concluded that further work was required on a number of open questions that constitute the 'building blocks' of the design of the FTT. A meeting of the European Finance Ministers on 8 December 2015 took note of a statement made by 10 of the Participating Member States (excluding Estonia) relating to the scope and timetable for introduction of the FTT. In that statement, the Participating Member States (excluding Estonia) announced agreement on a number of features of the FTT which had been considered in the publication by the Luxembourg Presidency on 3 December 2015, but indicated that a decision on the remaining open issues would only be made at some point before the end of June 2016. The anticipated implementation date for the FTT of 1 January 2016 was not met, with earliest implementation of the FTT looking to be a practical possibility only at some date after 30 June 2016.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on their dealings in the Notes before investing.

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

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

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

3.34 **Security**

Clearing Systems

Portfolio Assets forming part of the Collateral which are in the form of securities (if any) will be held by the Custodian on behalf of the Issuer. The Custodian will hold such Portfolio Assets which can be cleared through Euroclear in an account with Euroclear which is expected to be opened by the Custodian on or about the Issue Date (the "**Euroclear Account**") and will hold the other securities comprising the Portfolio which cannot be so cleared (i) through its accounts with Clearstream, Luxembourg and DTC, as appropriate, and (ii) through its sub-custodians who will in turn hold such Portfolio Assets which are securities both directly and through any appropriate clearing system. Those Portfolio 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 charge over the Portfolio will be created under English law pursuant to the Trust Deed on the Issue Date which will, in relation to the Portfolio Assets that are held through the Custodian, take effect as a security interest over (i) the beneficial interest of the Issuer in its share of the pool of securities fungible with the relevant Portfolio Assets held in the accounts of the Custodian on trust for the Issuer and (ii) the Issuer's ancillary contractual rights against the Custodian in accordance with the terms of the Collateral Administration and Agency Agreement which may expose the Secured Parties to the risk of loss in the case of a shortfall of such securities if an insolvency of the Custodian or its sub-custodian occurs.

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

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

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

Fixed Security

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

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

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

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

In addition to the ratings assigned to the Rated Notes by the Rating Agencies, the Issuer will be utilising ratings assigned by rating agencies to Obligors of individual Portfolio Assets. The Coverage Tests are sensitive to variations in the ratings applicable to the underlying Portfolio Assets. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Fitch CCC Obligation, S&P CCC Obligation or a Defaulted Obligation (and therefore potentially subject to haircuts in the determination of the Par Value Tests). The Investment Management Agreement contains detailed provisions for determining the Fitch Rating and the S&P Rating. In most instances, the S&P Rating and the Fitch Rating will not be based on or derived from a public rating of the Obligor or the actual Portfolio Asset. In most cases, the S&P Rating and the Fitch Rating in respect of a Portfolio Asset will be based on a confidential credit estimate determined separately by S&P and Fitch. Such confidential credit estimates are private and therefore not capable of being disclosed to Noteholders. In addition, some ratings will be derived by the Investment Manager based on, among other things, Obligor group or affiliate ratings, comparable ratings provided by a different rating agency and, in certain circumstances, temporary ratings applied by the Investment Manager. Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Portfolio Asset and may reflect a more or less conservative view of the actual credit risk of such Portfolio Asset than any such fundamental credit analysis might, if conducted, warrant; and model-derived variations in such ratings may occur (and have consequential effects on the Coverage Tests) without necessarily reflecting comparable variation in the actual credit quality of the Portfolio Asset in question. Please see "*Description of the Portfolio*" and "*Ratings of the Notes*".

There can be no assurance that rating agencies will continue to assign such ratings utilising the same methods and standards utilised today despite the fact that such Portfolio Asset might still be performing fully to the specifications set out in its Underlying Instrument. Any change in such methods and standards could result in a significant rise in the number of Fitch CCC Obligations or S&P 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. See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

Rating Agencies may refuse to give rating agency confirmations

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

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

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

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

Each Rating Agency must be able to reasonably rely on the arranger's certifications. If the arranger does not comply with its undertakings to any Rating Agency with respect to this transaction, such Rating Agency may withdraw its ratings of the Rated Notes. In such case, the withdrawal of ratings by any Rating Agency may adversely affect the price or transferability of the Rated Notes and may adversely affect any beneficial owner that relies on ratings of securities for regulatory or other compliance purposes.

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

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

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

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

3.37 **Money laundering prevention laws may require certain actions or disclosures**

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

applicant to produce any information required for verification purposes, an application for or transfer of Notes and the subscription monies relating thereto may be refused.

3.38 **Resolutions, Amendments and Waivers**

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

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

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

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

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

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

Certain amendments and modifications to the Transaction Documents may be made without the consent of any Noteholders and the Trustee (subject to the receipt of prior written notice and certain other conditions) will be

obliged to consent to such changes. See Condition 14(c) (*Modification and Waiver*). Any such amendment or modification could be prejudicial or adverse to certain Noteholders.

3.40 **Enforcement rights following a Note Event of Default**

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

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

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

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

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

(a) the Issuer may issue Further Subordinated Notes pursuant to Condition 17 (*Additional Issuances*); and/or

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

in each case with the resulting funds being designated as Interest Proceeds or (in the case only of Further Subordinated Notes) applied to a Permitted Use.

Any such action may have the effect of causing a Coverage Test that was otherwise failing to be cured or modifying the effect of events that would otherwise give rise to a Note Event of Default.

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

The Issuer may issue and sell Further Subordinated Notes, subject to the satisfaction of a number of conditions, including but not limited to the consent of the Subordinated Noteholders acting by way of Ordinary Resolution.

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

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

3.43 **Concentrated Ownership of one or more Classes of Notes**

On the Issue Date, one or more related investors are expected to purchase a majority of the Subordinated Notes and a single investor or related group of investors may hold a majority or supermajority of any Class of Notes at any time. The interests and incentives of any such holder will not necessarily be aligned with those of other holders of any particular Class of Notes. In addition, the holders of any Class of Notes will have no duty or obligation to consider the interests of any other holders when exercising any rights given to such Notes under the Transaction Documents, and will have no fiduciary duties to the Issuer, other holders or any other party. At any time that one or more related investors hold a majority of any Class of Notes, it may be more difficult for other holders to take (or avoid taking) certain actions that require consent of any such Classes of Notes. For example, optional redemption and the removal of the Investment Manager and appointment of a successor involve the direction of holders of specified percentages of Subordinated Notes or the Controlling Class. The actions pursued by such Noteholders may be adverse to interests of holders of other Classes of Notes.

3.44 **Action Plan on Base Erosion and Profit Shifting**

At a meeting in Paris on 29 May 2013, the Organisation for Economic Co-operation and Development ("**OECD**") Council at Ministerial Level adopted a declaration on base erosion and profit shifting urging the OECD's Committee on Fiscal Affairs to develop an action plan to address base erosion and profit shifting in a comprehensive manner. In July 2013, the OECD launched an Action Plan on Base Erosion and Profit Shifting ("**BEPs**"), identifying fifteen specific actions to achieve this. Subsequently, the OECD published discussion papers and held public consultations in relation to those actions, also publishing interim reports, analyses and sets of recommendations in September 2014 for seven of the actions. On 5 October 2015, the OECD published final reports, analyses and sets of recommendations for all of the fifteen actions it identified as part of its Action Plan, which G20 finance ministers then endorsed during a meeting on 8 October 2015 in Lima, Peru (the "**Final Report**"). The Final Report was endorsed by G20 Leaders during their annual summit on 15-16 November 2015 in Antalya, Turkey.

Action 4

In the Final Report relating to Action 4, the OECD recommends as a best practice that countries introduce a general limitation on tax deductions for net interest and economically equivalent payments under which, broadly speaking, a company would be denied those deductions to the extent they exceeded a particular percentage of the company's EBITDA ranging from 10 to 30 per cent. Countries would be free under the OECD's recommendation to apply this restriction to all companies. Alternatively, countries would be able to apply the restriction to companies that formed part of domestic and multinational groups only, or to companies that formed part of multinational groups. However, the restriction recommended would only apply to tax deductions for net interest and economically equivalent payments. As a result, since the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under Portfolio Assets (that is, such that Issuer pays limited or no net interest), the restriction may be of limited relevance to the Issuer even if Ireland chose to apply such a restriction to the Issuer.

Action 6

The focus of one of the actions (Action 6) is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. The Final Report recommends, as a minimum, that countries should include in their tax treaties: (i) an express statement that the common intention of each contracting state which is party to such treaties is to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance; and one, or both, of (ii) a "limitation-on-benefits" ("**LOB**") rule; and (iii) a "principal purposes test" ("**PPT**") rule.

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

In contrast, the LOB rule has a more objective focus. More particularly, the OECD has included both a detailed and simplified version of the LOB rule in its Final Report relating to Action 6, albeit recommending in the related commentary to the LOB rule that the simplified version of the LOB rule should be included in a double tax treaty in combination with a PPT rule. The more detailed version of the LOB provision would limit the benefits of treaties, in the case of companies and in broad terms, to: (i) certain publicly listed companies and their affiliates; (ii) certain not-for-profit organisations and companies which carry on a pensions business; (iii) companies owned by a majority of persons who would be eligible for treaty benefits provided that the majority of the company's gross income is not paid to a third country in a tax deductible form; (iv) companies engaged in the active conduct of a trade or business (other than of making or managing investments); (v) companies which were not established in a particular jurisdiction with a principal purpose of obtaining treaty benefits; and (vi) certain collective investment vehicles ("**CIVs**"). The simplified version of the LOB provision would limit these benefits to companies in similar but, generally speaking, less prescriptive circumstances. The ability to claim treaty benefits under (v) above, however, would be included in both versions, albeit that it would require a company to apply to the tax authorities of the other contracting state for the granting of that benefit. The LOB rule proposed in the Final Report is subject to further review and consideration following the finalisation of a revised LOB rule proposed by the United States for inclusion into the United States' model tax treaty. Consequently, the LOB rule and the related commentary in the Final Report for Action 6 are expected to be reviewed further in the first part of 2016.

In addition, whilst the Final Report makes provision for the inclusion of a CIV as a "qualified person" for the purposes of the LOB rule, the Final Report does not include specific provision for non-CIVs, such as the Issuer. In the Final Report, the OECD acknowledges the economic importance of non-CIV funds and the need to grant such vehicles treaty benefits where appropriate. Further work on the treaty benefits to be afforded to non-CIV funds is currently being undertaken. As part of that further work, the OECD published a discussion document dated 24 March 2016 which suggests possible means by which non-CIV funds, such as the Issuer, might be able to qualify for treaty benefits under the type of LOB rule recommended in the Final Report, including by introducing into the LOB rule special accommodation or exemption relating to certain "widely held" and "regulated" non-CIV funds as well as a "derivative benefits" provision to grant treaty benefits to non-CIV funds which are owned by a high proportion of treaty-eligible investors.

It is unclear, however, which, if any, of the suggestions will form part of any special regime that Action 6 ultimately recommends for non-CIV funds of this nature. The extent to which any of the suggestions would actually benefit the Issuer (given, for example, the nature of the Issuer's investor base and how it funds itself through note rather than share issuances) is also unclear.

Furthermore, as part of a package of measures aimed at countering corporate tax avoidance that the EU Commission published on 28th January 2016, the EU Commission did not recommend that Member States adopt the LOB rule that was included in the Final Report for Action 6 (broadly because the EU Commission views the narrowness of the LOB rule in certain areas as detrimental to the EU Single Market (particularly the Capital Markets Union) by discouraging cross-border investment). Instead, the Commission recommended that if such Members States adopt a PPT rule in their double tax treaties, they adopt a particular version of the PPT rule which accommodates EU caselaw. Accordingly, the impact on the Issuer of the OECD's suggestions regarding a LOB rule would depend on whether Ireland follows the recommendation of the EU Commission not to adopt such a LOB rule.

Action 7

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

As noted above, whether the Issuer will be subject to UK corporation tax may depend on, among other things, whether the Investment Manager is regarded as an agent of independent status acting in the ordinary course of its business for the purpose of Article 5(6) of the UK/Ireland double tax treaty. As at the date of this Offering Circular, it is expected that, taking into account the nature of the Investment Manager's business and the terms of its appointment and its role under the Investment Management Agreement, the Investment Manager will be regarded as an agent of independent status, acting in the ordinary course of its business, or be able to rely on the UK's investment manager exemption for these purposes. However, it is not clear what impact the Final Report relating to Action 7 will have on the UK/Ireland double tax treaty and the above analysis, principally because it is not clear to what extent (and on what timeframe) particular jurisdictions (such as the UK and Ireland) will decide to adopt any of the Final Report's recommendations.

Implementation of the recommendations in the Final Report

The OECD Action Plan noted the need for a swift implementation of any measures which are finally decided upon and suggested that Actions 6 and 7, among others, could be implemented by way of multilateral instrument, rather than by way of negotiation and amendment of individual tax treaties. However, the Final Report on Action 6 acknowledges that the proposed changes will require a degree of negotiation between treaty jurisdictions and observes that there are various reasons as to why OECD Member States may not implement the proposed amendments to the OECD Model Convention in an identical manner and/or to the same extent. More generally, it is still not clear whether, when, how and to what extent particular jurisdictions will decide to adopt any of the recommendations that the OECD has published in its Final Reports for the fifteen actions relating to its BEPS project and what further recommendations, if any, will follow in early 2016.

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

4. Relating to the Portfolio Assets

4.1 The Portfolio

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

For the purposes of the description of the Initial Portfolio contained in this Offering Circular, including, without limitation, the Portfolio Profile Tests and the Collateral Quality Tests as at the Initial Measurement Date, Initial Portfolio Assets which the Issuer has committed to purchase pursuant to the Initial Collateral Acquisition Agreements but which will not have settled by the Issue Date are included. Due to the possibility of defaults or prepayments occurring between trading and settlement, no assurance can be given that the settlement of some or

all of such Initial Portfolio Assets will be completed or in what timescale following the Issue Date such settlement will occur.

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

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

4.2 Nature of Collateral; defaults

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

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

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

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

4.3 **Below investment-grade Portfolio Assets involve particular risks**

The Portfolio Assets will consist primarily of non-investment grade loans, interests in non-investment grade loans and other non-investment debt obligations, which are subject to liquidity, market value, credit, interest rate and certain other risks. It is anticipated that the Portfolio Assets 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 Portfolio Assets.

Prices of the Portfolio Assets 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 Portfolio Assets. The current uncertainty affecting the European economy and the economies of countries in which issuers of the Portfolio Assets are domiciled and the possibility of increased volatility in financial markets could adversely affect the value and performance of the Portfolio Assets. 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 Portfolio Assets, and an increase in default levels could adversely affect payments on the Notes.

A non-investment grade loan, 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 Portfolio Asset 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 S&P 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 Initial Purchaser or Stifel, Nicolaus & Company, Inc. in its capacity as Arranger for or at the direction of Noteholders.

4.4 **Credit ratings are not a guarantee of quality or performance**

Credit ratings of Portfolio Assets 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 Portfolio Assets and may be subject to revision or withdrawal at any time by the assigning rating agency. If a rating assigned to any Portfolio Asset is lowered for any reason, no party is obliged to provide any additional support or credit enhancement with respect to such Portfolio Asset. 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 Portfolio Asset (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 Portfolio Assets 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 Portfolio Assets included in or similar to the Portfolio Assets will be subject to significant or severe adjustments downward. See 3.35 (*Actions of any Rating Agency can adversely affect the market value or liquidity of the Notes)* above.

4.5 **Portfolio Acquisition and Disposition Requirements**

The Issuer will not acquire or dispose of a Portfolio Asset unless certain conditions are met (the "**Portfolio Acquisition and Disposition Requirements**") which include, *inter alia*, (i) that the acquisition or disposal of Portfolio Assets for the primary purpose of recognising gains or decreasing losses from market value changes is not permitted and (ii) any additional purchase or sale of Eligible Assets is permitted only if the purchase or sale does not result in a downgrading of the Issuer's outstanding Rated Notes. This could prevent the Issuer from selling assets that may decline in value.

4.6 **Noteholders will receive limited disclosure about the Portfolio Assets**

Neither the Issuer nor the Investment 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 Portfolio Assets and related documents unless required to do so pursuant to the Trust Deed or the Investment Management Agreement. The Investment Manager also will not disclose to any of these parties the contents of any notice it receives pursuant to the Portfolio Assets or related documents unless required to do so pursuant to the Trust Deed or the Investment Management Agreement. In particular, the Investment Manager will not have any obligation to keep any of these parties informed as to matters arising in relation to any Portfolio Assets, 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.

4.7 **Lender liability considerations and equitable subordination can affect the Issuer's rights with respect to Portfolio Assets**

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 (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 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.

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

4.8 **Acquisition of Portfolio Assets**

The net proceeds of issue of the Notes shall be used by the Issuer on the Issue Date to pay certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes which will be deposited in the Expense Reserve Account on the Issue Date. The remaining net proceeds of issue of the Notes shall be deposited in the Unused Proceeds Account on the Issue Date for application on and after the Issue Date in settlement of the Initial Portfolio Assets which the Issuer committed to acquire pursuant to the Initial Collateral Acquisition Agreements, provided that an amount equal to €1,155,142 shall be deposited into the Interest Account on the Issue Date.

Pursuant to the Initial Collateral Acquisition Agreements, the Issuer has entered into binding commitments to acquire all of the Initial Portfolio Assets that will be included in the Initial Portfolio. The Issuer will acquire 68 per cent. (by principal amount) of the Initial Portfolio Assets pursuant to the Forward Sale Agreement and the Multilateral Netting Agreement and the remainder of the Initial Portfolio Assets pursuant to the Asset Sale

Agreement. The Seller is an investment vehicle over which an Affiliate of the Investment Manager exercises discretionary investment authority. The prices paid by the Issuer for the Initial Portfolio Assets acquired pursuant to the Forward Sale Agreement and the Multilateral Netting Agreement will be the respective prices set forth therein; **provided that** if, on the Issue Date, the weighted average of such prices (as set forth in the Forward Sale Agreement) exceeds by 4.0 per cent. or more the weighted average of the then current market values of such Initial Portfolio Assets, then the prices paid by the Issuer for such Initial Portfolio Assets will be the respective then current market values thereof, such determinations of market values to be made for the Issuer by Bosphorus Capital Limited in its capacity as interim investment manager in accordance with the methodology specified therefor in the Forward Sale Agreement. The prices paid by the Issuer for the Initial Portfolio Assets acquired pursuant to the Asset Sale Agreement will be the respective prices set forth therein. No assurance can be given that it would not have been possible for the Issuer to acquire the Initial Portfolio Assets at prices which were lower than those required to be paid by it pursuant to the applicable Initial Collateral Acquisition Agreement. In particular, the secondary market for leveraged loans is limited and may experience volatility at the time the prices of the Initial Portfolio Assets are required to be determined under the applicable Initial Collateral Acquisition Agreement. See also 1.5 (*Events in the CLO and Leveraged Finance Markets*), above.

In addition, the price paid by the Issuer for any particular Initial Portfolio Asset may be greater or less than the market value thereof on the Issue Date. Events occurring between the date of the Issuer committing to acquire the Initial Portfolio Assets under the Initial Collateral Acquisition Agreements and the Issue Date, including prepayments of principal, changes in prevailing interest rates, general economic conditions, the conditions of financial markets (particularly the markets for senior, second lien and mezzanine loans), European and international political events, events in the home countries of the Obligors under the Initial Portfolio Assets or the countries in which their assets and operations are based, developments or trends in any particular industry and the financial condition of such Obligors, could adversely affect the market value of the Initial Portfolio Assets acquired on the Issue Date. To the extent that any losses are suffered on the Initial Portfolio Assets acquired by the Issuer on the Issue Date, such losses will be borne by the Noteholders, beginning with the holders of the Subordinated Notes as the most junior class.

4.9 Loan prepayment considerations

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. 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 Portfolio Assets. As a result, the Notes may not be a suitable investment for any investor that requires a regular or predictable schedule of principal payments.

4.10 The Issuer may not be able to acquire Portfolio Assets that satisfy the Reinvestment Criteria

The Investment Manager is permitted to purchase Portfolio Assets after the Issue Date as described herein, in accordance with the Reinvestment Criteria. The ability of the Investment Manager (on behalf of the Issuer) to acquire Portfolio Assets that satisfy the Reinvestment Criteria at the projected prices, ratings, rates of interest and any other applicable characteristics will be subject to market conditions and availability of such Portfolio Assets. Any inability of the Investment Manager (on behalf of the Issuer) to acquire Portfolio Assets that satisfy the Reinvestment Criteria 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 Investment Manager on behalf of the Issuer will be able to acquire Portfolio Assets that satisfy the Reinvestment Criteria.

4.11 Reinvestment risk/uninvested cash balances

To the extent that the Investment Manager maintains cash balances invested in short-term investments instead of higher yielding loans or bonds, Portfolio income will be reduced which will result in reduced amounts available for payment on the Notes. In 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 Investment Manager will have discretion to reinvest Unscheduled Principal Proceeds in Substitute Portfolio Assets in compliance with the Reinvestment Criteria. The yield with respect to such Substitute Portfolio Assets will depend, among other factors, on reinvestment rates available at the time, on the availability of investments which satisfy the Reinvestment Criteria and are acceptable to the Investment Manager, and on market conditions related to high yield securities and bank loans in general. The need to satisfy such Reinvestment Criteria and identify acceptable investments may require the purchase of Portfolio Assets with a lower yield than those replaced, with different characteristics than those replaced (including, but not limited to, coupon, maturity, call features and/or credit quality) or require that such funds be maintained in cash or Eligible Investments pending reinvestment in Substitute Portfolio Assets, which will further reduce the 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 Portfolio Assets are sold, prepaid, or mature, yields on Portfolio Assets that are eligible for purchase will be at the same levels as those replaced and there can be no assurance that the characteristics of any Substitute Portfolio Assets purchased will be the same as those replaced and there can be no assurance as to the timing of the purchase of any Substitute Portfolio Assets.

The timing of reinvestment of 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 Portfolio Assets. The longer the period between reinvestment of cash in Portfolio Assets, the greater the adverse impact may be on the aggregate amount of the Interest Proceeds collected and distributed by the Issuer, including on the Notes, especially the most junior Class or Classes of Notes, thereby resulting in lower yields than could have been obtained if Unscheduled 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 Portfolio Assets which risk will first be borne by holders of the Subordinated Notes and then by holders of the Rated Notes, beginning with the most junior Class.

4.12 Characteristics and risks relating to the Portfolio

Although any particular Senior Secured Loan or Senior Secured Bond may share many similar features with other loans and obligations of its type, the actual term of any Senior Secured Loan or Senior Secured Bond will have been a matter of negotiation and will be unique. Any such particular loan or security may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees.

Senior Secured Loans and Senior Secured Bonds 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.

Senior Secured Loans and Senior Secured Bonds are typically at the most senior level of the capital structure of an Obligor.

Security

Senior Secured Loans and Senior Secured Bonds are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred 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.

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

Collective Action Clauses

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

Rate of Interest

Senior Secured Bonds (other than Senior Secured Floating Rate Notes) typically bear interest at a fixed rate. Risks associated with fixed rate obligations are discussed at 4.16 (*Interest rate risk*) below. Senior Secured Floating Rate Notes and the majority of Senior Secured Loans 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 interest and rate reset periods.

Loan Fees

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

Restrictive Covenants

Senior Secured Loans and Senior Secured Bonds 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 Senior Secured Loan which is not waived by the lending syndicate is normally an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. A breach of covenant (after giving effect to any cure period) under a Senior Secured Bond which is not waived by the requisite majority of the holders thereof is normally an event of default which may trigger the acceleration of the bonds.

Early Redemption and Prepayment Risk

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par plus accrued and unpaid interest thereon. Senior Secured Bonds frequently have call or redemption features (with or

without a premium or makewhole) that permit the issuer to redeem such obligations prior to their final maturity date.

Prepayments on loans and bonds may be caused by a variety of factors, which are difficult to predict. Accordingly, there exists a risk that loans or bonds purchased at a price greater than par may experience a capital loss as a result of such a prepayment.

Limited liquidity, prepayment and default risk of Senior Secured Loans

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

Limited liquidity, prepayment and default risk of Senior Secured Bonds

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

Defaults and recoveries

There is limited historical data available as to the levels of defaults and/or recoveries that may be experienced on Senior Secured Loans and Senior Secured Bonds. No assurance can be given as to the levels of default and/or recoveries that may apply to any Senior Secured Loans or Senior Secured Bonds purchased by the Issuer. As referred to above, although any particular Senior Secured Loan or Senior Secured Bond may share many similar features with other loans and obligations of its type, the actual term of any Senior Secured Loan or Senior Secured Bond will have been a matter of negotiation and will be unique. The types of protection afforded to creditors will therefore vary from investment to investment. Recoveries on Senior Secured Loan and Senior Secured 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 Senior Secured Loans and Senior Secured 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 Senior Secured Loans and Senior Secured 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 Portfolio Asset 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 Senior Secured Loans and Senior Secured Bonds will also be affected by the different bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the obligors thereunder.

Cov-Lite Loans

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

4.13 Insolvency Considerations relating to Portfolio Assets

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

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

4.14 Concentration risk

The Issuer will invest in a Portfolio of Portfolio Assets consisting of Senior Secured Loans, Senior Secured Bonds, and Senior Secured Floating Rate Notes. Although no significant concentration with respect to any particular Obligor, industry or country is expected to exist at the Initial Measurement Date, the concentration of the Portfolio in any one Obligor would subject the Notes to a greater degree of risk with respect to defaults by such Obligor, and the concentration of the Portfolio in any one industry would subject the Notes to a greater degree of risk with respect to economic downturns relating to such industry. The Portfolio Profile Tests and Collateral Quality Tests attempt to mitigate any concentration risk in the Portfolio. See "*Description of the Portfolio – Portfolio Profile Tests and Collateral Quality Tests*".

4.15 **Credit risk**

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

4.16 **Interest rate risk**

It is possible that Portfolio Assets may bear interest at a fixed rate and there is no requirement that the amount or portion of Collateral securing the Notes must bear interest on a particular basis, save for the Portfolio Profile Test which requires that no more than 1.8 per cent. of the Aggregate Collateral Balance may comprise Fixed Rate Portfolio Assets.

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

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

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

There can be no assurance that the Portfolio Assets and Eligible Investments securing the Notes will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Notes or that any particular levels of return will be generated on the Subordinated Notes.

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

4.17 **Rising interest rates may render some Obligors unable to pay interest on their Portfolio Assets**

Most of the Portfolio Assets 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 Portfolio Assets or refinance their balloon and bullet Portfolio Assets, resulting in payment defaults and Defaulted Obligations and an inability of the

Issuer to make payment on some or all Classes of Notes. Conversely if interest rates decline, Obligors may refinance their Portfolio Assets at lower interest rates which could shorten the average life of the Notes.

4.18 Balloon obligations and bullet obligations present refinancing risk

The Portfolio will primarily consist of Portfolio Assets 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 Portfolio Asset. The ability of such Obligor to make this final payment upon the maturity of the Portfolio Asset typically depends upon its ability either to refinance the Portfolio Asset prior to maturity or to generate sufficient cash flow to repay the Portfolio Asset 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 Portfolio Asset, 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 Portfolio Asset at maturity, and the Issuer could lose all or most of the principal of the Portfolio Asset. Given their relative size and limited resources and access to capital, some Obligors may have difficulty in repaying or refinancing their balloon and bullet Portfolio Asset on a timely basis or at all.

4.19 Regulatory risk in Obligor jurisdictions

In many jurisdictions, especially in Continental Europe, engaging in lending activities "in" certain jurisdictions whether conducted via the granting of loans, purchases of receivables, discounting of invoices, guarantee transactions or otherwise (collectively, "**Lending Activities**") is generally considered a regulated financial activity and, accordingly, must be conducted in compliance with applicable local banking laws. In many such jurisdictions, there is comparatively little statutory, regulatory or interpretative guidance issued by the competent authorities or other authoritative guidance as to what constitutes the conduct of Lending Activities in such jurisdictions.

As such, Portfolio Assets 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 Portfolio Assets are acquired by the Issuer, there can be no assurance that, as a result of the application of regulatory law, rule or regulation or interpretation thereof by the relevant governmental body or agency, or change in such application or interpretation thereof by such governmental body or agency, payments on the Portfolio Assets might not in the future be adversely affected as a result of such application of regulatory law or that the Issuer might become subject to proceedings or action by the relevant governmental body or agency, which if determined adversely to the Issuer, may adversely affect its ability to make payments in respect of the Notes.

5. 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 Investment Manager, its clients and its Affiliates, the Rating Agencies, the Initial Purchaser, the Arranger, the Co-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.

5.1 Investment Manager

The scope of the activities of the Investment Manager, Affiliates of the Investment Manager, the funds and clients managed or advised by the Investment Manager, Affiliates of the Investment Manager (including any director, officer or employee of such entities) and other entities in the Commerzbank AG group of companies (together, "**Investment Manager Related Persons**") may give rise to conflicts of interest or other restrictions and/or limitations imposed on the Issuer in the future that cannot be foreseen or mitigated at this time. Various potential and actual conflicts of interest may arise from the overall investment activities of the Investment Manager Related Persons and their respective clients and personnel. Investment Manager Related Persons may invest, on behalf of themselves and their clients, in obligations and/or securities that would be appropriate as Portfolio Assets, as well as in obligations and/or securities that are senior to, or have interests different from or

adverse to, the Portfolio Assets that are assigned or charged as Collateral to secure the Notes. Investment Manager Related Persons may give advice or take action for their own account or their other client accounts with similar strategies which may differ from action taken for the Issuer. Investment Manager Related Persons may also have ongoing relationships with companies whose obligations and/or securities are Portfolio Assets, and may own, directly or through other funds or accounts that they manage, loans, equity or debt securities issued by Obligors of Portfolio Assets or other Collateral. Investment Manager Related Persons may have provided and may provide in the future certain services (including advisory services) for a negotiated fee to companies whose obligations or other securities are assigned or charged as Collateral to secure the Notes. In addition, the Investment Manager, its Affiliates and their respective clients and personnel may invest, or have already invested, in obligations and/or other securities that are identical to or senior to, or have interests different from or adverse to, the Portfolio Assets. Investment Manager Related Persons, on behalf of themselves or their clients, may also be active on steering committees of creditors in the restructuring of debt obligations issued by companies whose loans or securities are owned by them or their clients, including the Issuer, which relationships could give rise to multiple conflicts of interest. In addition, the Investment Manager or any other Investment Manager Related Person may serve as a general partner, managing member, adviser, officer, director, sponsor or manager of partnerships or companies organised to issue collateralised bond or loan obligations secured by noninvestment grade bank loans. The Investment Manager may at certain times be engaged in seeking to purchase or dispose of, or may have already purchased or disposed of, investments for the Issuer while at the same time the Investment Manager or any other Investment Manager Related Person is also seeking to purchase or dispose of, or has already purchased or disposed of, similar or identical investments for its own account or clients or Affiliates or another entity for which it or an Affiliate serves as a general partner, managing member, adviser, officer, director, sponsor or manager. By reason of the various activities of Investment Manager Related Persons, the Investment Manager or any other Investment Manager Related Person may acquire or otherwise come into possession of confidential or material non-public information or be restricted from effecting transactions in certain Portfolio Assets or other Collateral that otherwise might have been initiated or prevented from liquidating a position. Such information might also not be known to the personnel of the Investment Manager responsible for monitoring the Portfolio Assets or other Collateral and performing the other obligations of the Investment Manager under the Investment Management Agreement. At times, the Investment Manager, in an effort to avoid restrictions for the Issuer and its and its Affiliates' other clients, may elect not to receive, or actively avoid exposure to, information that other market participants or counterparties are eligible to receive or have received.

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

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

The Investment Manager will endeavour to resolve conflicts with respect to investment opportunities using commercially reasonable judgment and, subject always to the Standard of Care (as defined in the Investment Management Agreement and as further described in "*Description of the Investment Management Agreement*"

herein), in its sole discretion and subject, where applicable, to approval by the advisory boards and/or investment committees of its investment funds. Further, the Investment Manager will be prohibited under the terms of the Investment Management Agreement from directing the acquisition of Portfolio Assets from, or disposition of Portfolio Assets to, its Affiliates or any other account managed by the Investment Manager except in a transaction conducted on an arm's-length basis.

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

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

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

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

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

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

The Investment Manager may rebate or otherwise not receive a portion of the Investment Management Fees that relate to the ownership of Subordinated Notes by an Investment Manager Related Person. Similar arrangements for rebates may also be in place with other purchasers of Subordinated Notes on the Issue Date with respect to the Incentive Investment Management Fee. Such arrangements may affect the incentives of the Investment

Manager in managing the Portfolio Assets and may also affect the actions of that Subordinated Noteholder in taking any actions it may be permitted to take under the Trust Deed, including votes concerning amendments.

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

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

The Investment Manager will discuss the composition of the Portfolio Assets and other matters relating to the transaction contemplated hereby with any Investment Manager Related Person that is a Subordinated Noteholder and may have such discussions with other beneficial owners of Notes or stakeholders in the Issuer. There can be no assurance that such discussions will not influence the actions or inactions of the Investment Manager in the conduct of its duties under the Investment Management Agreement.

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

In addition, upon any removal or resignation of the Investment Manager which occurs whilst any Notes are Outstanding (except in the circumstances where it has become illegal for the Investment Manager to carry on its duties under the Investment Management Agreement), the Investment Manager will continue to act in such capacity until the appointment by the Issuer of an Eligible Successor, as proposed by the Controlling Class (acting by Ordinary Resolution) and subject to no timely objection thereto being made by the Subordinated Noteholders (acting by Ordinary Resolution), and written acceptance of appointment and assumption of all duties and obligations of the Investment Manager under the Investment Management Agreement by such Eligible Successor, in accordance with the terms of the Investment Management Agreement. If within 90 days following a notice of resignation or removal, no Eligible Successor has been appointed and accepted such appointment, the Investment Manager may propose an Eligible Successor, which if written acceptance of appointment and assumption of all duties and obligations of the Investment Manager is received from the proposed Eligible Successor, and provided that neither the Controlling Class (acting by Ordinary Resolution) nor the Subordinated Noteholders (acting by Ordinary Resolution) objects in writing to such successor within 45 days of such proposal, then the Issuer shall appoint such successor. If within 115 days following a notice of resignation or removal, no Eligible Successor has been appointed, then the Controlling Class (acting by Ordinary Resolution) may direct the Issuer to appoint an Eligible Successor and the Issuer shall appoint such successor, subject to no timely objection thereto being made by the Subordinated Noteholders (acting by Ordinary Resolution). If within 135 days following a notice of resignation or removal no Eligible Successor has been appointed, the Issuer and/or the Investment Manager may petition a court of competent jurisdiction for the appointment of an Eligible Successor. In such a case, there is a risk that the Investment Manager could further delay its removal for a significant period of time following a vote to effect its replacement by refusing to petition a court for the appointment of an Eligible Successor.

The Issuer may from time to time acquire Portfolio Assets from one or more funds managed by an Affiliate of the Investment Manager. By purchasing any Notes, each investor therein will be deemed to have acknowledged,

ratified and consented for the benefit of each of the Issuer, the Investment Manager and the Initial Purchaser (i) to any such acquisition by the Issuer, (ii) to an Affiliate of the Investment Manager having acted as investment manager or adviser to any such seller, (iii) to any related conflicts of interest with respect to the Investment Manager in connection with any such acquisition and (iv) that the acknowledgments, ratifications and consents of the initial Noteholders given on the Issue Date for the benefit of the Issuer, the Investment Manager and the Initial Purchaser will be binding on all Noteholders, including future Noteholders.

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

S&P 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.

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

The Initial Purchaser will play various roles in relation to the offering, including acting as the structurer of the transaction and in other roles described below.

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

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

The Initial Purchaser and/or its Affiliates 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 Initial Purchaser and its Affiliates provide a wide range of financial services to a diversified client base that includes corporations, financial institutions 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 Initial Purchaser and/or its Affiliates may have positions in or have placed or underwritten certain of the Portfolio Assets (or other obligations of the obligors of Portfolio Assets) when they were originally issued and may have provided or may be providing investment services and other services to obligors of certain Portfolio Assets. In addition, the Initial Purchaser, its Affiliates and their respective clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Portfolio Assets. Each of the Initial Purchaser and its Affiliates 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. The purchase, holding or sale of Portfolio Assets by the Issuer may increase the profitability of any investments that the Initial Purchaser or its Affiliates have made in such obligors.

The Initial Purchaser does not disclose its (or its Affiliates) specific trading positions or hedging strategies, including whether it (or 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, the Initial Purchaser, its Affiliates and employees or customers thereof may actively trade in and/or otherwise hold long or short positions in the Notes, Portfolio Assets and Eligible Investments or enter into transactions referencing the Notes, Portfolio Assets and Eligible Investments or the obligors thereof for their own accounts and for the accounts of their customers. If the Initial Purchaser or an Affiliate thereof 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 the Initial Purchaser or

an Affiliate thereof 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 the Initial Purchaser or an Affiliate thereof 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.

TERMS AND CONDITIONS OF THE NOTES

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, which will be incorporated by reference into the Global Certificates of each Class representing the Notes, subject to the provisions of such Global Certificates, some of which will modify the effect of these terms and conditions of the Notes. See "Form of the Notes – Amendments to Terms and Conditions".

The issue of €163,600,000 Class A Secured Floating Rate Notes due 2025 (the "**Class A Notes**"), €30,500,000 Class B Secured Floating Rate Notes due 2025 (the "**Class B Notes**"), €22,200,000 Class C Secured Deferrable Floating Rate Notes due 2025 (the "**Class C Notes**"), €13,900,000 Class D Secured Deferrable Floating Rate Notes due 2025 (the "**Class D Notes**"), €16,200,000 Class E Secured Deferrable Floating Rate Notes due 2025 (the "**Class E Notes**"), €8,000,000 Class F Secured Deferrable Floating Rate Notes due 2025 (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 €23,300,000 Subordinated Notes due 2025 (the "**Subordinated Notes**" and together with the Rated Notes, the "**Notes**") of Bosphorus CLO II Designated Activity Company (the "**Issuer**") was authorised by resolution of the board of Directors of the Issuer dated 25 April 2016.

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

The following agreements have been or will be entered into in relation to the Notes: (a) an investment management agreement dated on or about the Issue Date (the "**Investment Management Agreement**") between Commerzbank AG, London Branch as investment manager (the "**Investment Manager**", which term shall include any successor or substitute investment manager appointed pursuant to the terms of the Investment Management Agreement), the Issuer, the Collateral Administrator (as defined below), the Custodian (as defined below) and the Trustee; (b) a collateral administration and agency agreement dated on or about the Issue Date (the "**Collateral Administration and Agency Agreement**") between, amongst others, the Issuer, The Bank of New York Mellon, London Branch as account bank, calculation agent, custodian, principal paying agent and exchange agent (respectively, the "**Account Bank**", "**Calculation Agent**", "**Custodian**", "**Principal Paying Agent**" and "**Exchange Agent**", which terms shall include any successor or substitute account bank, calculation agent, custodian, principal paying agent or exchange agent, respectively, appointed pursuant to the terms of the Collateral Administration and Agency Agreement), The Bank of New York Mellon SA/NV, Dublin Branch as collateral administrator and 17g-5 information agent (respectively, the "**Collateral Administrator**" and "**Information Agent**", which terms shall include any successor or substitute collateral administrator or 17g-5 information agent, respectively, appointed pursuant to the terms of the Collateral Administration and Agency Agreement), The Bank of New York Mellon as U.S. paying agent ("**U.S. Paying Agent**" which term shall include any successor or substitute U.S. paying agent appointed pursuant to the Collateral Administration and Agency Agreement), The Bank of New York Mellon (Luxembourg) S.A., as transfer agent and registrar (respectively, "**Transfer Agent**" and "**Registrar**", which terms shall include any successor or substitute transfer agent or registrar appointed pursuant to the terms of the Collateral Administration and Agency Agreement) and the Investment Manager; (c) an administration agreement dated 18 January 2016 (the "**Administration Agreement**") between the Issuer and Wilmington Trust SP Services (Dublin) Limited as administrator (the "**Administrator**", which term shall include any successor or substitute administrator appointed pursuant to the terms of the Administration Agreement); (d) a risk retention letter dated on or about the Issue Date (the "**Retention Undertaking Letter**"), between NPIC Limited as retention holder (in such capacity, the "**Retention Holder**"), the Issuer, the Trustee, the Investment Manager, the Collateral Administrator and the Initial Purchaser; (e) a subscription agreement dated on or about the Issue Date (the "**Subscription Agreement**") between Stifel, Nicolaus & Company, Inc. (the "**Initial Purchaser**") and the Issuer; (f) a forward sale agreement dated 18 January 2016 (the "**Forward Sale Agreement**") between, amongst others, the Retention Holder as seller and the Issuer as purchaser; (g) one or more trade confirmations dated on or about the Issue Date (collectively, the "**Asset Sale Agreement**") between Bosphorus Capital Ltd. as seller (the "**Seller**") and the Issuer as purchaser; and (h) a Euroclear pledge agreement dated on or about the Issue Date (the "**Euroclear Pledge Agreement**") between, amongst others, the Issuer as pledgor, the Trustee as pledgee and the Custodian.

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

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

1. Definitions

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

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

"**Accounts**" means the Principal Account, the Interest Account, the Payment Account, the Refinancing Account, the Custody Account, the Expense Reserve Account, the Interest Smoothing Account, the Collection Account and the Unused Proceeds Account.

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

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

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

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

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

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

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

(e) the Excess CCC Adjustment Amount,

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

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

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

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

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

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

(iii) to the Investment Manager pursuant to the Investment Management Agreement, but excluding any Investment Management Fees, any Make-whole Investment Management Fees and, in either case, any VAT payable thereon;

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

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

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

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

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

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

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

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

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

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

(ii) costs of complying with FATCA;

(iii) CRS Compliance Costs;

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

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

(i) in respect of a Refinancing, to pay any Refinancing Costs; and

(ii) any expenses of the Issuer in respect of a Re-Pricing not otherwise paid by a third party in accordance with Condition 6(j) (*Optional Re-Pricing*).

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

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

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

(i) of such Person;

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Arranger**" means Stifel, Nicolaus & Company, Inc.

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

"**Authorised Integral Amount**" means:

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

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

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

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

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

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

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

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

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

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

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

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

(c) any entity whose underlying assets include plan assets by reason of such an employee benefit plan or plan's investment in such entity, but only to the extent of the percentage of the equity interests in such entity that are held by Benefit Plan Investors.

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

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

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

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

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

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

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

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

provided that in determining which of the S&P CCC Obligations or Fitch CCC Obligations, as applicable, shall be included under part (a) or (b) above, the S&P CCC Obligations or Fitch CCC Obligations with the lowest

Market Value (assuming that such Market Value is expressed as a percentage of the Principal Balance of such Portfolio Assets as of such date of determination) shall be deemed to constitute the CCC Excess.

"**Call Date**" means (i) the 15th of January, April, July and October prior to the occurrence of a Frequency Switch Event and (ii) the 15th of (A) January and July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July) or (B) April and October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) of each year after the expiry of the Non-Call Period or, in each case, if such day is not a Business Day, the Business Day immediately following such day.

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

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

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

"**Class A/B Interest Coverage Test**" means the test which will apply as of each Interest Coverage Test Date and which will be satisfied on such Interest Coverage Test Date if the Class A/B Interest Coverage Ratio is at least equal to 120.00 per cent.

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

"**Class A/B Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class A/B Par Value Ratio is at least equal to 132.30 per cent.

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

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

"**Class C Deferred Interest**" has the meaning given to it in Condition 6(c) (*Deferral of Interest*).

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

"**Class C Interest Coverage Test**" means the test which will apply as of each Interest Coverage Test Date and which will be satisfied on such Interest Coverage Test Date if the Class C Interest Coverage Ratio is at least equal to 110.00 per cent.

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

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

"**Class C Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date if the Class C Par Value Ratio is at least equal to 121.00 per cent.

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

"**Class D Deferred Interest**" has the meaning given to it in Condition 6(c) (*Deferral of Interest*).

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

"**Class D Interest Coverage Test**" means the test which will apply as of each Interest Coverage Test Date and which will be satisfied on such Interest Coverage Test Date if the Class D Interest Coverage Ratio is at least equal to 105.00 per cent.

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

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

"**Class D Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date if the Class D Par Value Ratio is at least equal to 114.35 per cent.

"**Class E Deferred Interest**" has the meaning given to it in Condition 6(c) (*Deferral of Interest*).

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

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

"**Class E Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date if the Class E Par Value Ratio is at least equal to 107.75 per cent.

"**Class F Deferred Interest**" has the meaning given to it in Condition 6(c) (*Deferral of Interest*).

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

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

"**Class F Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least equal to 105.25 per cent.

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

(a) the Class A Notes;

(b) the Class B Notes;

(c) the Class C Notes;

(d) the Class D Notes;

(e) the Class E Notes;

(f) the Class F Notes; and

(g) the Subordinated Notes,

and "**Class of Noteholders**" and "**Class**" shall be construed accordingly and shall include any Class of Refinancing Notes issued pursuant to Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*).

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

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

"**Co-Arranger**" means Stifel Nicolaus Europe Limited.

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

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

"**Collateral Acquisition Agreements**" means each Initial Collateral Acquisition Agreement and each other agreement entered into by the Issuer in relation to the purchase of Portfolio Assets.

"**Collateral Quality Tests**" means the Collateral Quality Tests as defined in the Investment Management Agreement.

"**Collateral Tax Event**" means at any time, as a result of the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, interpretation, procedure or judicial decision (whether proposed, temporary or final) (including related FTT), or as a result of the application of FATCA, interest payments due from the Obligors of any Portfolio Assets to the Issuer in relation to any Due Period being or becoming properly subject to the imposition of home jurisdiction or foreign withholding tax (other than U.S. withholding taxes on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees, or similar fees, to the extent that such withholding taxes do not exceed 30 per cent. of the amount of such fees), unless such withholding tax is compensated for by a "gross up" provision in the terms of the Portfolio Asset or such withholding will be eliminated by application being made under the applicable double tax treaty or pursuant to the provision of any relevant documentation under any domestic legislation, **provided that** the aggregate amount of such withholding tax on all Portfolio Assets in relation to such Due Period is equal to or in excess of 10 per cent. of the aggregate interest payments due (excluding any additional interest arising as a result of the operation of any gross up provision) on all Portfolio Assets in relation to such Due Period.

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

"**Consent Principal Amount Outstanding**" has the meaning given to it in Condition 6(j) (*Optional Re-Pricing*).

"**Consenting Holder**" means each Noteholder of a Re-Priced Class that gives notice in writing to the Issuer within 10 Business Days of delivery of the Notice of Proposed Re-Pricing that it consents to maintaining the Principal Amount Outstanding of the Notes of the Re-Priced Class held by it at the Re-Pricing Rate.

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

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

"**Corporate Rescue Loan**" shall mean any loan or financing facility and which is paying interest and principal on a current basis and either:

(a) is an obligation of a debtor in possession as described in § 1107 of the United States Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to § 1104 of the United States Bankruptcy Code) (a "**Debtor**") organised under the laws of the United States or any State therein, the

terms of which have been approved by an order of the United States Bankruptcy Court, the United States District Court, or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) and which order provides that (i) such Corporate Rescue Loan is secured by liens on the Debtor's otherwise unencumbered assets pursuant to § 364(c)(2) of the United States Bankruptcy Code; or (ii) such Corporate Rescue Loan is secured by liens of equal or senior priority on property of the Debtor's estate that is otherwise subject to a lien pursuant to § 364(d) of the United States Bankruptcy Code; or (iii) such Corporate Rescue Loan is secured by junior liens on the Debtor's encumbered assets and such Corporate Rescue Loan is fully secured based upon a current valuation or appraisal report; or (iv) if the Corporate Rescue Loan or any portion thereof is unsecured, the repayment of such Corporate Rescue Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or

(b) is a credit facility or other advance made available to a company or group not organised under the laws of the United States or any State therein in a restructuring or insolvency process which constitutes the most senior secured obligations of the entity which is the borrower thereof, provided such borrower is not organised under the laws of the United States or any State therein and either (i) ranks *pari passu* in all respects with the other senior secured debt of the borrower, **provided that** such facility is entitled to recover proceeds of enforcement of security shared with the other senior secured indebtedness (e.g. bond) of the borrower and its subsidiaries in priority to all such other senior secured indebtedness, or (ii) achieves priority over other senior secured obligations of the borrower otherwise than through the grant of security, such as pursuant to the operation of applicable insolvency legislation (including as an expense of the restructuring or insolvency process) or other applicable law.

"**Cov-Lite Loan**" means an obligation, as determined by the Investment Manager in its reasonable commercial judgement, that is an interest in a loan, the Underlying Instruments for which do not (a) contain any financial covenants or (b) require the Obligor thereunder to comply with any Maintenance Covenant (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by such Underlying Instruments), **provided that**, for all purposes other than the determination of the S&P Recovery Rate for such loan, a loan described in (a) or (b) above which either contains a cross default provision to or is *pari passu* with, another loan of the Obligor (including any revolving obligation) that requires the Obligor to comply with one or more Maintenance Covenants will be deemed not to be a Cov-Lite Loan.

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

"**CRA3**" means the Regulation EC 1060/2009, as amended by Regulation (EU) 462/2013, on credit rating agencies.

"**Credit Impaired Criteria**" means the criteria that will be met in respect of a Portfolio Asset if, in the commercially reasonable judgment of the Investment Manager, any of the following apply to such Portfolio Asset (which judgment will not be called into question as a result of subsequent events):

(a) if such Portfolio Asset is a loan obligation or floating rate note, the price of such Portfolio Asset has changed during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage which is (i) in the case of a Senior Secured Loan or a Senior Secured Floating Rate Note, either at least 0.25 per cent. more negative or at least 0.25 per cent. less positive and (ii) in the case of Non-Senior Secured Bonds, Unsecured Loans, Second Lien Loans or Mezzanine Loans, either at least 0.50 per cent. more negative or at least 0.50 per cent. less positive, in each case, than the percentage change in the average price of an Eligible Loan Index selected by the Investment Manager over the same period;

(b) if such Portfolio Asset is a Fixed Rate Portfolio Asset, there has been an increase in the difference between its yield compared to the yield on German government Bund securities of comparable maturity of more than 7.5 per cent. since the date on which such Portfolio Asset was acquired by the Issuer;

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

(d) if such Portfolio Asset is a Fixed Rate Portfolio Asset which is a bond, loan or security, the price of such Portfolio Asset 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 or Eligible Loan Index, as applicable, over the same period, as determined by the Investment Manager;

(e) if such Portfolio Asset is a loan obligation or floating rate note, the spread over the applicable reference rate for such Portfolio Asset has been increased in accordance with the applicable Underlying Instrument since the date the Issuer or the Investment Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such increase) less than or equal to 2.00 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 2.00 per cent. but less than or equal to 4.00 per cent.) or (3) 0.50 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 4.00 per cent.) due, in each case, to a deterioration in the Obligor's financial ratios or financial results;

(f) if the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes divided by cash interest expense) of the Obligor of such Portfolio Asset is less than 1.00 or is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio; or

(g) if such Portfolio Asset is a loan or bond, the Market Value (expressed as a percentage of par) of such Portfolio Asset has decreased by at least 1.00 per cent. of the price paid by the Issuer for such Portfolio Asset.

"**Credit Impaired Obligation**" means any Portfolio Asset that, in the Investment Manager's commercially reasonable judgment, has a significant risk of declining in credit quality or price or where the relevant Underlying Obligor has failed to meet its other financial obligations; **provided that** a Portfolio Asset will qualify as a Credit Impaired Obligation for purposes of sales of Portfolio Assets only if the Credit Impaired Criteria are satisfied with respect to such Portfolio Asset.

"**CRR**" means Regulation No 575/2013 of the European Parliament and of the Council as may be effective from time to time together with any amendments and any successor or replacement provisions included in any European Union directive or regulation and including any guidance or any technical standards published in relation thereto.

"**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, in each case together with any amendments to those provisions and any successor or replacement provisions included in any European Union directive or regulation.

"**CRS**" means the common reporting standard more fully described as the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development.

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

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

"**Current Pay Obligation**" means any obligation (other than a Corporate Rescue Loan) that would otherwise be treated as a Defaulted Obligation but as to which no payments are due and payable that are unpaid and with respect to which the Investment Manager determines, in its reasonable commercial judgement (which judgement will not be called into question as a results of subsequent events), that:

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

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

(c) the obligation has a Market Value of at least 80 per cent. of its Principal Balance.

"**Custody Account**" means the custody account or accounts in the name of the Issuer established on the books of the Custodian in accordance with the provisions of the Collateral Administration and Agency Agreement.

"**Defaulted Obligation**" means a Portfolio Asset as determined by the Investment Manager:

(a) in respect of which there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto provided that in the case of any Portfolio Asset in respect of which the Investment Manager has confirmed to the Issuer in writing that, to the knowledge of the Investment Manager, such default has resulted from non-credit related causes, such Portfolio Asset shall not constitute a "Defaulted Obligation" for the greater of five Business Days or seven calendar days (but in no case beyond the passage of any grace period applicable thereto), in each case which default entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such obligation, but only until such default has been cured;

(b) in respect of which any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such Portfolio Asset;

(c) in respect of which the Investment Manager has actual knowledge that the Obligor thereunder is in default as to payment of principal and/or interest on another obligation, save for obligations constituting trade debts which the applicable Obligor is disputing in good faith, (and such default has not been cured), but only if:

(i) both such other obligation and the Portfolio Asset are full recourse, unsecured obligations and the other obligation is senior to, or *pari passu* with, the Portfolio Asset in right of payment; or

(ii) the following conditions are satisfied:

(A) both such other obligation and the Portfolio Asset are full recourse, secured obligations secured by identical collateral;

(B) the security interest securing the other obligation is senior to or pari passu with the security interest securing the Portfolio Asset; and

(C) the other obligation is senior to or pari passu with the Portfolio Asset in right of payment;

(d) which (i) has a S&P Rating of "SD", "D" or "CC" (or below); or (ii) a Fitch Rating of "CC" (or below) or "RD" or, in each case, had such rating immediately prior to the withdrawal of its rating by S&P or Fitch, as applicable;

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

(f) if the Obligor thereof offers holders of such Portfolio Asset a new security, obligation, or package of securities or obligations that amount to a diminished financial obligation (such as preferred or common stock, or debt with a lower coupon or par amount) of such Obligor and in the commercially reasonable judgment of the Investment Manager, such offer has the apparent purpose of helping the Obligor avoid default,

provided that:

(i) any Portfolio Asset shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of "Defaulted Obligation"; and

(ii) a Current Pay Obligation shall not constitute a Defaulted Obligation (**provided that** the Aggregate Principal Balance of Current Pay Obligations exceeding 5.0 per cent. of the Aggregate Principal Balance will be treated as Defaulted Obligations (for the purposes of making such calculation, Defaulted Obligations shall be deemed to have a Principal Balance equal to the lesser of its S&P Collateral Value and Fitch Collateral Value) and, in determining which of the Current Pay Obligations are to be treated as Defaulted Obligations under this proviso, the Current Pay Obligations with the lowest Market Value expressed as a percentage

of the Principal Balance of such Portfolio Assets as of the relevant date of determination shall be deemed to constitute the excess).

"**Defaulted Obligation Excess Amounts**" means in respect of a Defaulted Obligation, the greater of (a) zero and (b) the aggregate of all amounts paid into the Principal Account (other than any Purchased Accrued Interest) in respect of such Defaulted Obligation for so long as it is a Defaulted Obligation, minus the sum of the Principal Balance of such Defaulted Obligation outstanding immediately prior to receipt of such amounts.

"**Deferred Interest**" means the Class C Deferred Interest, the Class D Deferred Interest, the Class E Deferred Interest and the Class F Deferred Interest.

"**Deferred Senior Investment Management Amounts**" has the meaning given to it in Condition 3(c)(i) (*Interest Priority of Payments*).

"**Deferred Subordinated Investment Management Amounts**" has the meaning given to it in Condition 3(c)(i) (*Interest Priority of Payments*).

"**Deferring Security**" means a PIK Security that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon for the shorter of two consecutive accrual periods or one year, which deferred capitalised interest has not, as of the date of determination, been paid in cash.

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

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

"**Determination Date**" means the last Business Day of each Due Period, or in the event of any redemption of the Notes, eight Business Days prior to the applicable Redemption Date.

"**Directors**" means the directors from time to time of the Issuer.

"**Discount Obligation**" means any Portfolio Asset that the Investment Manager determines is acquired by the Issuer for a purchase price of less than 80 per cent. of the Principal Balance thereof; **provided that** such Portfolio Asset shall cease to be a Discount Obligation at such time as the Market Value for such Portfolio Asset on each day during any period of 30 consecutive days (none of which were determined pursuant to sub-paragraph (e)(ii) of the definition of "Market Value") since the acquisition by the Issuer of such Portfolio Asset equals or exceeds 90 per cent. of the Principal Balance of such Portfolio Asset; **provided that** where the Principal Balance of a Portfolio Asset is partially composed of a Discount Obligation, any sale, repayment or prepayment in respect of such Portfolio Asset will be applied *pro rata* to (1) the discounted portion of such Portfolio Asset and (2) the non discounted portion of such Portfolio Asset.

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

"**Dodd-Frank Act**" means the Dodd-Frank Wall Street Reform and Consumer Protection Act including any related regulation as may be amended, supplemented or replaced from time to time.

"**Domicile**" or "**Domiciled**" means with respect to any Obligor with respect to a Portfolio Asset:

(a) except as provided in paragraph (b) below, its jurisdiction of organisation or incorporation; or

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

"**DTC**" means The Depository Trust Company.

"**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.

"**EEA**" means the European Economic Area, comprising each Member State, Norway, Iceland and Lichtenstein and such other countries as from time to time may accede to the Agreement on the European Economic Area signed at Oporto on 2 May 1992 or any successor agreement thereto.

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

(a) the date designated for such purpose by the Investment Manager by written notice to the Trustee, the Issuer, the Rating Agencies, the Collateral Administrator and the Agents, subject to the requirements set out in the Investment Management Agreement (including that the Effective Date Requirements shall be satisfied on such designated date);

(b) 30 Business Days following the date on which the Effective Date Report is sent to the Rating Agencies; and

(c) 31 May 2016 or if such day is not a Business Day, then the next succeeding Business Day.

"**Effective Date Rating Agency Condition**" means a condition satisfied if (a) the Collateral Administrator is provided with the Accountants' Report and (b) Fitch is provided with the Effective Date Report.

"**Effective Date Rating Event**" means: (a) the Effective Date Requirements are not satisfied and Rating Agency Confirmation from Fitch has not been received in respect of such failure or (b) the Effective Date Rating Agency Condition is not satisfied and following a request therefor from the Investment Manager after the Effective Date, Rating Agency Confirmation from Fitch is not received; **provided that** any downgrade or withdrawal of any of the Initial Ratings of the Notes which is not directly related to a request for confirmation thereof or which occurs after confirmation thereof by Fitch shall not constitute an Effective Date Rating Event.

"**Effective Date Report**" means a report compiled by the Collateral Administrator (in consultation with the Investment Manager) confirming the Effective Date Test Items.

"**Effective Date Requirements**" means, as at the Effective Date, (a) each of the Par Value Tests being satisfied on such date and (b) the Issuer having purchased or entered into binding commitments to purchase Portfolio Assets the Aggregate Principal Balance of which (calculated without regard to prepayments, maturities or redemptions) equals or exceeds the Target Par Amount by such date (**provided that**, for the purposes of determining the Aggregate Principal Balance as provided above, the Principal Balance of a Portfolio Asset which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Fitch Collateral Value).

"**Effective Date Test Items**" means (a) the Aggregate Principal Balances of the Portfolio Assets purchased or committed to be purchased as at the Effective Date and (b)(i) as at the Effective Date, the computation and results of the Par Value Tests, (ii) as at each of the Initial Measurement Date and the Issue Date, the computation of the Collateral Quality Tests and (iii) as at the Initial Measurement Date, the computation of the Portfolio Profile Tests (**provided that**, for the purposes of determining the Aggregate Principal Balance as provided above, the Principal Balance of a Portfolio Asset which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Fitch Collateral Value).

"**Eligibility Criteria**" means the Eligibility Criteria specified in the Investment Management Agreement which the Investment Manager is required to determine have been satisfied in respect of each Portfolio Asset as at (a) the date the Issuer commits to acquire each such Portfolio Asset pursuant to the applicable Collateral Acquisition Agreement and (b) in respect of the Initial Portfolio, the Issue Date.

"**Eligible Asset**" means a financial asset, either fixed or revolving, that by its terms converts into cash within a finite time period plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders, provided such asset is a "qualifying asset" within the meaning of Section 110 of the Taxes Act 1997.

"**Eligible Bond Index**" means Markit iBoxx EUR High Yield Index or any other index proposed by the Investment Manager and subject to receipt of Rating Agency Confirmation from S&P.

"**Eligible Country**" means any of Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Luxembourg, The Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom or United States and any other country the foreign currency issuer credit rating of which is rated, at the time of acquisition of the relevant Portfolio Asset, at least "BBB-" by each of Fitch and S&P or any other country in respect of which, at the time of acquisition of the relevant Portfolio Asset, Rating Agency Confirmation is received.

"**Eligible Investment Qualifying Country**" means:

(a) for so long as any Notes rated by S&P are Outstanding, any of Austria, Belgium, Canada, the Channel Islands, Denmark, Finland, France, Germany, Iceland, Republic of Ireland, Italy, Liechtenstein, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom or United States, in each case if the foreign currency issuer credit rating of such country is rated, at the time of acquisition of the relevant Eligible Investment, at least "A-" by S&P; and

(b) for so long as any Notes rated by Fitch are Outstanding, any country, the foreign currency country issuer rating of which is rated, at the time of acquisition of the relevant Eligible Investment, at least "AA-" by Fitch (or, if the maturity of the relevant Eligible Investment is less than 30 days, "A" by Fitch),

provided that for purposes of both (a) and (b) above, an Eligible Investment Qualifying Country may be any other country in respect of which, at the time of acquisition of the relevant Eligible Investment, Rating Agency Confirmation is received.

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

(a) direct obligations of, and obligations the timely payment of principal of and interest on which is fully and expressly guaranteed by (such guarantor to comply with the relevant S&P criteria on guarantees), an Eligible Investment Qualifying Country or any agency or instrumentality of an Eligible Investment Qualifying Country, the obligations of which are fully and expressly guaranteed by an Eligible Investment Qualifying Country and which satisfy the Eligible Investments Minimum Ratings (but excluding (i) "General Services Administration" participation certificates; (ii) "U.S. Maritime Administration guaranteed Title XI financings"; (iii) "Financing Corp. debt obligations"; (iv) "Farmers Home Administration Certificates of Beneficial Ownership"; and (v) "Washington Metropolitan Area Transit Authority guaranteed transit bonds");

(b) demand and time deposits in, certificates of deposit of, trust accounts with and bankers' acceptances issued by any depositary institution (including the Account Bank) or trust company incorporated under the laws of an Eligible Investment Qualifying Country and subject to supervision and examination by governmental banking authorities, in each case, payable within 90 days (or 180 days at any time following the first Payment Date after the occurrence of a Frequency Switch Event) of issuance, so long as the commercial paper and/or the debt obligations of such depositary institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) and such depositary institution or trust company at the time of such investment or contractual commitment have a rating not less than the Eligible Investment Minimum Rating;

(c) subject to receipt of Rating Agency Confirmation related thereto, unleveraged repurchase obligations with respect to:

(i) any obligation described in paragraph (a) above; or

(ii) any other security issued or guaranteed by an agency or instrumentality of an Eligible Investment Qualifying Country, in either case entered into with a depositary institution or trust company (acting as principal) described in paragraph (b) above or entered into with a

corporation (acting as principal) that is rated not less than the applicable Eligible Investments Minimum Rating at the time of such investment;

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

(e) commercial paper or other short term obligations having, at the time of such investment, a credit rating of not less than the applicable Eligible Investments Minimum Rating and that either are bearing interest or are sold at a discount to the face amount thereof and have a maturity of not more than 90 days or 180 days after the occurrence of a Frequency Switch Event from their date of issuance;

(f) non-U.S. funds investing in the money markets rated, at all times, "AAAm" or "AAm-G" by S&P and "AAAmmF" by Fitch or if not rated by Fitch, having an equivalent rating from a third global rating agency; and

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

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

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

(iii) is an "eligible asset" under Rule 3a-7 of the Investment Company Act,

and, in each case, such instrument or investment provides for payment of a pre-determined fixed amount of principal on maturity that is not subject to change and either (A) has a Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated on demand without penalty and have a remaining maturity of less than 365 days, **provided, however, that** Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes, any security purchased at a price in excess of 100 per cent. of par, any security whose repayment is subject to substantial non-credit related risk (as determined by the Investment Manager in its discretion), any security rated with an "r" or "t" subscript by S&P or investments the acquisition of which would give rise to stamp duty, stamp duty reserve tax or any other transfer duty or tax (except to the extent that such duty or tax is taken into account in deciding whether to acquire the investments, such that the Issuer is not required to pay an additional amount in respect of such tax or duty compare to the amount that would be payable by the Issuer in order to acquire the relevant investment had no such tax or duty been payable).

"**Eligible Investments Minimum Rating**" means:

(a) for so long as any Notes rated by S&P are Outstanding:

(i) in the case of Eligible Investments with a maturity of more than 60 days:

(A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "AA-" by S&P; or

(B) a short-term senior unsecured debt or issuer (as applicable) credit rating of at least "A-1+" from S&P; or

(C) a money market fund rating of "AAAm" from S&P; or

(ii) in the case of Eligible Investments with a maturity of 60 days or less, a short-term debt or issuer (as applicable) credit rating of at least "A-1" from S&P; and

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

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

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

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

(C) such other ratings as confirmed by Fitch;

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

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

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

(C) such other ratings as confirmed by Fitch.

"**Eligible Loan Index**" means the S&P European Leveraged Loan Index or any other index proposed by the Investment Manager and subject to receipt of Rating Agency Confirmation from S&P.

"**Enforcement Actions**" has the meaning given to it in Condition 11(b) (*Enforcement*).

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

"**EURIBOR**" means, for purposes of the Rated Notes, the rate determined in accordance with Condition 6(e) (*Interest on the Rated Notes*) (i) in the case of the initial Interest Period, as applicable to six month Euro deposits, and (ii) at all other times, as applicable:

(a) prior to the occurrence of a Frequency Switch Event, as applicable to three month Euro deposits; and

(b) following the occurrence of a Frequency Switch Event, as applicable to six month Euro deposits or, in the case of the period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date, if such first mentioned Payment Date falls in July 2025, as applicable to three month Euro deposits.

"**Euro**", "**euro**", "**EUR**" and "**€**" means the lawful currency of the member states of the European Union ("**Member States**") that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; **provided that** if any Member State ceases to have such single currency as its lawful currency (each such Member State being an "**Exiting State**"), the euro shall mean the single currency adopted and retained as the lawful currency of the remaining Member States and shall not include any successor currency introduced by any Exiting State but for the avoidance of doubt shall not affect any definition of euro used in respect of any Portfolio Asset.

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

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

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

(a) the Aggregate Principal Balance of all Portfolio Assets included in the CCC Excess; over

(b) the sum for each Portfolio Asset included in the CCC Excess of (i) its Market Value (expressed as a percentage) multiplied by (ii) its Principal Balance.

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

"**Exchanged Security**" means an equity security which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received by the Issuer as a result of restructuring of the terms in effect as of the later of the Issue Date and the date of acquisition of the relevant Portfolio Asset.

"**Exercise Notice**" has the meaning given to it in Condition 6(j) (*Optional Re-Pricing*).

"**Expense Reserve Account**" means an interest bearing account described as such in the name of the Issuer with the Account Bank.

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

"**FATCA**" means Sections 1471 to 1474 of the Code, any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes, or official practices adopted pursuant to any such intergovernmental agreement.

"**Fitch**" means Fitch Ratings Ltd. or any successor or successors thereto.

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

"**Fitch Collateral Value**" means, in the case of any Portfolio Asset or Eligible Investment, the lower of: (a) its prevailing Market Value; and (b) the relevant Fitch Recovery Rate, multiplied by its Principal Balance.

"**Fitch Issuer Credit Rating**" means in respect of a Portfolio Asset, a publicly available issuer credit rating by Fitch in respect of the Obligor thereof.

"**Fixed Rate Portfolio Asset**" means any Portfolio Asset that bears a fixed rate of interest.

"**Floating Rate Portfolio Asset**" means any Portfolio Asset that bears a floating rate of interest.

"**Floating Rate of Interest**" has the meaning given to it in Condition 6(e)(i) (*Floating Rate of Interest*).

"**Frequency Switch Event**" means the occurrence of a Determination Date on which the Investment Manager in consultation with the Collateral Administrator determines that the following conditions have been met:

(a) the Aggregate Principal Balance of all Frequency Switch Obligations in respect of such Determination Date (excluding Defaulted Obligations) is equal to or greater than 20 per cent. of the Aggregate Collateral Balance (excluding Defaulted Obligations);

(b) for so long as any of the Class A Notes or Class B Notes remain Outstanding, the ratio (expressed as a percentage) obtained by dividing:

(i) the sum of:

(A) the aggregate of scheduled and projected interest payments which will be due to be paid on each Portfolio Asset during the immediately following Due Period, but excluding (i) such payments on Defaulted Obligations (other than Current Pay Obligations) and (ii) any such payments as to which the Issuer or the Investment Manager has actual knowledge that such payment will not be made when due; and

(B) the Balance standing to the credit of the Interest Smoothing Account on the Business Day following such Determination Date; by

(ii) the scheduled Interest Amounts which will fall due on the Class A Notes or Class B Notes on the second Payment Date following such Determination Date and all amounts due and payable pursuant to paragraphs (A) to (E) of the Interest Priority of Payments on such date,

is less than 120 per cent.; and:

(c) for so long as any of the Class A Notes or Class B Notes remain Outstanding, the sum of:

(i) the amount determined pursuant to paragraph (b)(i) above; and

(ii) the aggregate of scheduled and projected interest payments which will be accrued but not yet paid as at the Business Day being three months following such Determination Date in respect

of each Frequency Switch Obligation, but excluding (i) such payments on Defaulted Obligations (other than Current Pay Obligations) and (ii) any such payments as to which the Issuer or the Investment Manager has actual knowledge that such payment will not be made when due,

is equal to or greater than the amount determined pursuant to paragraph (b)(ii) above,

with the projected interest amounts described above being calculated in respect of such Determination Date on the basis of the following assumptions: (X) the frequency of interest payments on each Portfolio Asset shall not change following such Determination Date; and (Y) EURIBOR for the purposes of calculating Interest Amounts in respect of the Class A Notes and the Class B Notes at all times following such Determination Date shall be equal to EURIBOR as determined as at such Determination Date. For the avoidance of doubt, after redemption in full of the Class A Notes and the Class B Notes, only clause (a) of this definition of "Frequency Switch Event" is required to be satisfied.

"**Frequency Switch Obligation**" means, in respect of a Determination Date, a Portfolio Asset which has become an Interest Smoothing Obligation that pays interest less frequently than quarterly during the Due Period related to such Determination Date as a result of a switch in the frequency of interest payments on such Portfolio Asset occurring during such Due Period in accordance with the applicable Underlying Instrument.

"**FTT**" means the financial transaction tax as contemplated by the European Commission pursuant to a proposed directive published by the European Commission on 14 February 2013.

"**Further Subordinated Notes**" has the meaning given to it in Condition 17 (*Additional Issuances*).

"**GBP**" and "**Sterling**" mean the lawful currency of the United Kingdom.

"**Global Certificate**" means a certificate representing one or more Notes in global fully registered form.

"**Global Exchange Market**" means the Global Exchange Market of the Irish Stock Exchange.

"**High Yield Bond**" means a debt security which, on acquisition by the Issuer, is either rated below investment grade by at least one internationally recognised credit rating agency (**provided that**, if such debt security is, at any time following acquisition by the Issuer, no longer rated by at least one internationally recognised credit rating agency as below investment grade it will not, as a result of such change in rating, fall outside this definition) or which is a high yielding debt security, in each case as determined by the Investment Manager.

"**Incentive Investment Management Fee**" means the fee payable to the Investment Manager (exclusive of VAT) pursuant to the Investment Management Agreement in arrear on each Payment Date, as determined by the Collateral Administrator, in an amount equal to 20 per cent. of any Interest Proceeds or Principal Proceeds that would otherwise have been payable to the Subordinated Noteholders in accordance with paragraph (CC) of Condition 3(c)(i) (*Interest Priority of Payments*) and paragraph (U) of Condition 3(c)(ii) (*Principal Priority of Payments*) on such Payment Date, **provided that** such amount will only be payable to the Investment Manager if the Incentive Investment Management Fee IRR Threshold has been reached.

"**Incentive Investment Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date if the Subordinated Notes Outstanding have received an IRR of at least 15 per cent. on the Principal Amount Outstanding of the Subordinated Notes as of the Issue Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date).

"**Incurrence Covenant**" means a covenant by any Obligor to comply with one or more financial covenants only upon the occurrence of certain actions of the Obligor, including a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture.

"**Initial Collateral Acquisition Agreements**" means the Forward Sale Agreement and the Asset Sale Agreement.

"**Initial Measurement Date**" means 25 April 2016.

"**Initial Portfolio**" means the Initial Portfolio Assets held by or on behalf of the Issuer from time to time.

"**Initial Portfolio Asset**" means each Portfolio Asset acquired, or to be acquired, by the Issuer from time to time pursuant to an Initial Collateral Acquisition Agreement.

"**Initial Ratings**" means in respect of any Class of Notes and any Rating Agency, the ratings assigned to such Class of Notes by such Rating Agency as at the Issue Date and "Initial Rating" means each such rating.

"**Insolvency Law**" has the meaning given to it in Condition 10(a)(v) (*Insolvency Proceedings*).

"**Interest Account**" means 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 given to it in Condition 6(e) (*Interest on the Rated Notes*).

"**Interest Coverage Amount**" means, on any particular Measurement Date (and for the avoidance of doubt without double-counting):

(a) the Balance standing to the credit of the Interest Account;

(b) plus the scheduled interest payments due but not yet received in respect of any Portfolio Asset or Eligible Investment (regardless of whether the applicable due date has yet occurred) in the Due Period in which such Measurement Date occurs excluding:

  (i) accrued and unpaid interest on Defaulted Obligations or Deferring Securities;

  (ii) interest on any Portfolio Asset to the extent that such Portfolio Asset does not provide for the scheduled payment of interest in cash;

  (iii) any amounts, to the extent that such amounts if not paid, will not give rise to a default under the relevant Portfolio Asset;

  (iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes (including as a result of FATCA and/or FTT);

  (v) any scheduled interest payments or commitment fees as to which the Issuer or the Investment Manager has actual knowledge that such payment or fee will not be made; and

  (vi) any Purchased Accrued Interest,

(c) *minus* any of the above amounts that would be payable into the Interest Smoothing Account on the Business Day after the Determination Date at the end of the Due Period in which such Measurement Date falls;

(d) plus any amounts that would be payable from the Interest Smoothing Account to the Interest Account during the Due Period in which such Measurement Date falls (without double counting any such amounts which have already been transferred to the Interest Account);

(e) minus the amounts payable pursuant to paragraphs (A) to (E) (inclusive) of the Interest Priority of Payments on the following Payment Date;

(f) minus any interest in respect of a PIK Security that has been deferred (but only to the extent such amount has not already been excluded in accordance with paragraph (b) above); and

(g) plus any scheduled interest payments due to the Issuer in the Due Period in which such Measurement Date occurs on the Accounts.

For the purposes of calculating any Interest Coverage Amount, the expected or scheduled interest income on Floating Rate Portfolio Assets and Eligible Investments and the expected or scheduled interest payable on any Class of Notes and on any relevant Account shall be calculated using then current interest rates applicable thereto.

"**Interest Coverage Ratio**" means the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio and the Class D Interest Coverage Ratio.

"**Interest Coverage Test**" means the Class A/B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test.

"**Interest Coverage Test Date**" means the Determination Date preceding each Payment Date occurring on or after the second Payment Date.

"**Interest Determination Date**" means the second Business Day prior to the commencement of each Interest Period given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

"**Interest Period**" means, in respect of each Class of Notes, the period from and including the Issue Date (or in the case of a Class that is subject to Refinancing or Re-Pricing, the Payment Date upon which the Refinancing or Re-Pricing, as the case may be, occurs) to, but excluding, the first Payment Date (or in the case of a Class that is subject to Refinancing or Re-Pricing, the first Payment Date following the Refinancing or Re-Pricing, as the case may be) and thereafter each successive period from and including each Payment Date to, but excluding, the following Payment Date.

"**Interest Priority of Payments**" means the priority of payments in respect of Interest Proceeds set out in Condition 3(c)(i) (*Interest Priority of Payments*).

"**Interest Proceeds**" means all amounts (without duplication) paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means any Interest Proceeds received or receivable by the Issuer during the related Due Period to be disbursed pursuant to the Interest Priority of Payments on such Payment Date, together with any other amounts to be disbursed out of the Payment Account as Interest Proceeds on such Payment Date pursuant to Condition 3(i) (*Accounts*).

"**Interest Smoothing Account**" means the account described as such in the name of the Issuer with the Account Bank to which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(viii) (*Interest Smoothing Account*).

"**Interest Smoothing Amount**" means, in respect of an Interest Smoothing Obligation:

(a) on each Determination Date on or following the occurrence of a Frequency Switch Event, zero;

(b) on each other Determination Date and for so long as any Rated Notes are Outstanding, an amount equal to the amount of interest received during the related Due Period in respect of such Interest Smoothing Obligation, multiplied by:

(i) in respect of an Interest Smoothing Obligation with a Payment Frequency greater than three and less than or equal to six, 0.50;

(ii) in respect of an Interest Smoothing Obligation with a Payment Frequency greater than six and less than or equal to nine, 0.66; and

(iii) in respect of an Interest Smoothing Obligation with a Payment Frequency greater than nine, 0.75,

in each case excluding all interest and other amounts received in respect of any Defaulted Obligations save for any Defaulted Obligation Excess Amounts.

"**Interest Smoothing Obligation**" means a Portfolio Asset which pays interest less frequently than quarterly.

"**Investment Company Act**" means the United States Investment Company Act of 1940, as amended.

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

"**Investment Manager Notes**" means Notes held by the Investment Manager, any of its Affiliates, any director, officer or employee of the Investment Manager or any of its Affiliates, or any fund or account for which the Investment Manager or any Affiliate thereof has discretionary voting authority.

"**Irish Stock Exchange**" means The Irish Stock Exchange p.l.c.

"**IRR**" means the internal rate of return calculated using the "XIRR" function in Microsoft Excel or any equivalent function in another software package that would result in a net present value of zero, assuming: (a) the Principal Amount Outstanding of the Subordinated Notes on the Issue Date as the initial cash flow and all distributions to the Subordinated Notes on the current and each preceding Payment Date as subsequent cash flows (including the Redemption Date, if applicable); (b) the initial date for the calculation as the Issue Date; and (c) the number of days in each subsequent Payment Date from the Issue Date calculated on the basis of the actual number of days in an Interest Period divided by 365 and assuming for this purpose that all Subordinated Notes were purchased on the Issue Date at a price equal to 100 per cent. of the principal amount thereof.

"**IRS**" means the United States Internal Revenue Service or any successor thereto.

"**Issue Date**" means 27 April 2016 (or such other date as may shortly follow such date as may be agreed between the Issuer and the Initial Purchaser and is notified to the Noteholders in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange).

"**Issuer Fee**" means the fee payable to the Issuer for deposit in the Issuer Irish Account in an amount equal to €250 on each Payment Date, subject always to an aggregate maximum amount of €1,000 per annum.

"**Issuer Irish Account**" means the account in the name of the Issuer held with a bank in Ireland for the purposes of holding the Issuer's share capital and the Issuer Fee.

"**Maintenance Covenant**" means a covenant by any Obligor to comply with one or more financial covenants during each reporting period, whether or not such Obligor has taken any specified action.

"**Make-whole Investment Management Fee**" means the Make-whole Senior Investment Management Fee and the Make-whole Subordinated Investment Management Fee.

"**Make-whole Senior Investment Management Fee**" means, as at any date of determination, the amount due and payable by the Issuer to the Investment Manager following the occurrence of an early redemption in whole, but not in part, of the Notes pursuant to Condition 7(b) (*Optional Redemption*) (other than (a) a redemption effected with Refinancing Proceeds pursuant to Condition 7(b)(ii) (*Optional Redemption by Refinancing*) and (b) for the avoidance of doubt, a redemption following a Note Tax Event pursuant to Condition 7(e) (*Redemption following Note Tax Event*)) on any Call Date occurring on or prior to 15 July 2017, equal to the present value of the Senior Investment Management Fees which would otherwise have been due and payable to the Investment Manager from (but excluding) the applicable Call Date to (and including) 15 October 2017, discounted at a rate equal to EURIBOR *plus* the Class A Margin, and calculated assuming that the Aggregate Collateral Balance shall remain the same as at the date of such determination.

"**Make-whole Subordinated Investment Management Fee**" means, as at any date of determination, the amount due and payable by the Issuer to the Investment Manager following the occurrence of an early redemption in whole, but not in part, of the Notes pursuant to Condition 7(b) (*Optional Redemption*) (other than (a) a redemption effected with Refinancing Proceeds pursuant to Condition 7(b)(ii) (*Optional Redemption by Refinancing*) and (b) for the avoidance of doubt, a redemption following a Note Tax Event pursuant to Condition 7(e) (*Redemption following Note Tax Event*)) on any Call Date occurring on or prior to 15 July 2017, equal to the present value of the Subordinated Investment Management Fees which would otherwise have been due and payable to the Investment Manager from (but excluding) the applicable Call Date to (and including) 15 October 2017, discounted at a rate equal to EURIBOR *plus* the Class F Margin, and calculated assuming that the Aggregate Collateral Balance shall remain the same as at the date of such determination.

"**Market Value**" means, on any date of determination and as provided by the Investment Manager to the Collateral Administrator (in each case expressed as a percentage of par):

(a) the bid price determined by an independent recognised pricing service; or

(b) if such independent recognised pricing service is not available, the mean of the bid side prices determined by three independent broker-dealers active in the trading of such Portfolio Assets; or

(c) if three such broker-dealer prices are not available, the lower of the bid side prices determined by two such broker-dealers; or

(d) if two such broker-dealer prices are not available, the bid side price determined by one independent broker-dealer (unless, in each case, the fair market value thereof determined by the Investment Manager pursuant to (e) hereafter would be lower); or

(e) if the determinations of such broker-dealers or independent recognised pricing service are not available, then the lower of:

(i) the higher of (x) the lower of (A) the S&P Recovery Rate of such Portfolio Asset and (B) the Fitch Recovery Rate of such Portfolio Asset and (y) 70 per cent. of such Portfolio Asset's Principal Balance; and

(ii) the fair market value thereof determined by the Investment Manager on a best efforts basis in a manner consistent with reasonable and customary market practice, in each case, as notified to the Collateral Administrator on the date of determination thereof,

provided that (A) where the Market Value is determined by the Investment Manager in accordance with paragraph (e)(ii) above, such Market Value shall only be valid for 30 days, after which time if the Market Value cannot be ascertained by a third party the Market Value shall be deemed to be zero, **provided further that** this proviso shall not apply where (x) the Investment Manager is duly qualified, authorised or licensed under the laws of the jurisdiction where the conduct of its business requires; (y) such fair market value determined by the Investment Manager is in a manner consistent with any determination it applies with respect to any other obligation managed by the Investment Manager and (z) such fair market value shall be of the same value assigned by the Investment Manager to such Portfolio Asset for all other purposes, in each case, as notified to the Collateral Administrator on the date of determination therefor and (B) the Market Value of the applicable Discount Obligations shall be determined as provided above, provided however that the determination by the Investment Manager in accordance with paragraph (e)(ii) above shall not apply.

For the purposes of this definition, "**independent**" shall mean: (A) that each pricing service and broker-dealer from whom a bid price is sought is independent from each of the other pricing service and broker-dealers from whom a bid price is sought and (B) each pricing service and broker dealer is not an Affiliate of the Investment Manager.

"**Maturity Date**" means the Payment Date falling in October 2025 or if such day is not a Business Day, then the next succeeding 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) each Determination Date;

(d) the date as at which any Report is prepared; and

(e) following the Effective Date, with reasonable (and not less than two Business Days') notice, any Business Day requested by (i) any Rating Agency then rating any Class of Notes Outstanding and/or (ii) the Controlling Class acting by way of Ordinary Resolution.

"**Mezzanine Loan**" means a mezzanine loan obligation, including any such loan obligation with attached warrants, as determined by the Investment Manager in its reasonable business judgement.

"**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, €100,000.

"**Minimum Weighted Average Floating Spread Test**" has the meaning given to it in the Investment Management Agreement.

"**Monthly Report**" means any monthly report which is prepared by the Collateral Administrator (in consultation with, and in part based on certain information provided by, the Investment Manager) on behalf of the Issuer on such dates as are set out in the Collateral Administration and Agency Agreement, and which is made available via a secured website at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Principal Paying Agent, the Initial Purchaser, the Investment Manager, the Arranger, the Co-Arranger, the Rating Agencies and the Noteholders from time to time) which shall be accessible to the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Initial Purchaser, the Arranger, the Co-Arranger, the Rating Agencies and to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator (subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes) and which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Administration and Agency Agreement.

"**Moody's Rating**" means the monitored publicly available rating or the monitored estimated rating expressly assigned to a debt obligation (or facility) by Moody's Investors Service Ltd. that addresses the full amount of the principal and interest promised.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding, the Payment Date falling in April 2017, or if such day is not a Business Day, then the next succeeding Business Day.

"**Non-Consenting Holder**" means each Noteholder of a Re-Priced Class that does not give notice in writing to the Issuer within 10 Business Days of delivery of the Notice of Proposed Re-Pricing that it consents to maintaining the Principal Amount Outstanding of the Notes of the Re-Priced Class held by it at the Re-Pricing Rate.

"**Non-Controlling Class**" means a Class of Rated Notes which is not the Controlling Class.

"**Non-Senior Secured Bond**" means an obligation that is a secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Senior Secured Bond or a Senior Secured Loan) with a junior contractual claim on tangible or intangible property as determined by the Investment Manager in its reasonable business judgement, **provided that** it is secured (a) by fixed assets of the Obligor or guarantor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets so numerous or diverse that the failure to take such security is consistent with reasonable secured lending practices), and otherwise (b) by 100 per cent. of the equity interests in the stock of an entity owning either directly or indirectly such fixed assets.

"**Noteholders**" means the several persons in whose name the Notes are registered from time to time in accordance with and subject to their terms and the terms of the Trust Deed.

"**Note Event of Default**" means each of the events defined as such in Condition 10(a) (*Note Events of Default*).

"**Note Payment Sequence**" means the application of Interest Proceeds or Principal Proceeds, as applicable, in accordance with the relevant Priority of Payments in the following order:

(a) *firstly*, to the redemption of the Class A Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class A Notes have been fully redeemed;

(b) secondly, to the redemption of the Class B Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class B Notes have been fully redeemed;

(c) thirdly, to the redemption of the Class C Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class C Notes have been fully redeemed;

(d) fourthly, to the redemption of the Class D Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class D Notes have been fully redeemed;

(e) fifthly, to the redemption of the Class E Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class E Notes have been fully redeemed; and

(f) sixthly, to the redemption of the Class F Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class F Notes have been fully redeemed,

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following any breach of Coverage Tests, the Note Payment Sequence shall terminate immediately after the paragraph above that refers to the Class of Notes to which such Coverage Test relates or as soon as the relevant Coverage Test has been remedied, if earlier.

"**Note Tax Event**" means, at any time:

(a) the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, interpretation, procedure or judicial decision (whether proposed, temporary or final) which results in (or would on the next Payment Date result in) any payment of principal or interest on the Notes becoming properly subject to any home jurisdiction tax or withholding or deduction for or on account of tax other than:

(i) a payment in respect of Deferred Interest becoming properly subject to any withholding tax;

(ii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland or other applicable taxing authority;

(iii) withholding tax in respect of FATCA; and

(iv) U.S. federal backup withholding tax;

(b) United Kingdom or U.S. federal, state or local tax authorities impose net income, profits or similar tax upon the Issuer of any amount in excess of €1,000 for the relevant year (other than any U.S. federal, state or local income or franchise tax imposed solely with respect to an equity security or "United States real property interest" (as defined for U.S. federal income tax purposes) received in an Offer); or

(c) the Issuer is liable to pay net income, profits or similar tax (excluding for the avoidance of doubt VAT) in Ireland on an amount which is in excess of the Issuer Fee on an annual basis.

"**Notes**" means the notes comprising, where the context permits, the Class 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 constituted by the Trust Deed or the Principal Amount Outstanding thereof for the time being or, as the context may require, a specific number thereof and includes any replacements for Notes issued pursuant to Condition 13 (*Replacement of Notes*) and (except for the purposes of Clause 3 (*Form and Issue of Notes*) of the Trust Deed) each Global Certificate. References in these Conditions of the Notes to the "Notes" (unless the context requires otherwise) include any Subordinated Notes issued pursuant to Condition 17 (*Additional Issuances*) and any note issued pursuant to a Refinancing pursuant to Condition 7 (*Redemption and Purchase*).

"**Notice of Proposed Re-Pricing**" has the meaning given to it in Condition 6(j) (*Optional Re-Pricing*).

"**Obligor**" means, in respect of a Portfolio Asset, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Investment Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Portfolio Asset, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration or (b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument.

"**Offer Principal Amount Outstanding**" has the meaning given to it in Condition 6(j) (*Optional Re-Pricing*).

"**Ongoing Expense Excess Amount**" means, on any Payment Date, an amount equal to the excess, if any, of (a) the Senior Expenses Cap, over (b) the sum of (without duplication) (x) all amounts paid pursuant to paragraphs

(B) and (C) of Condition 3(c)(i) (*Interest Priority of Payments*) on such Payment Date plus (y) all Trustee Fees and Expenses and Administrative Expenses paid during the related Due Period.

"**Ongoing Expense Reserve Amount**" means, in respect of any Payment Date, an amount equal to the lesser of (a) the Ongoing Expense Reserve Ceiling and (b) the Ongoing Expense Excess Amount, each as at such Payment Date.

"**Ongoing Expense Reserve Ceiling**" means, on any Payment Date, the excess, if any, of the sum of (a) €69,000 and (b) 0.00625 per cent. of the Aggregate Collateral Balance as at the Determination Date immediately preceding the Payment Date, over the amount then on deposit in the Expense Reserve Account without giving effect to any deposit thereto on such Payment Date pursuant to paragraph (D) of Condition 3(c)(i) (*Interest Priority of Payments*).

"**Optional Redemption**" means a redemption pursuant to and in accordance with Condition 7(b) (*Optional Redemption*).

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

"**Other Plan Law**" means any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"**Outstanding**" means in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class issued, as further defined in the Trust Deed.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, the Class C Par Value Ratio, the Class D Par Value Ratio, the Class E Par Value Ratio or the Class F Par Value Ratio (as applicable).

"**Par Value Test**" means the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test or the Class F Par Value Test (as applicable).

"**Participation**" means an interest in a loan obligation or security taken indirectly by the Issuer by way of sub-participation from a selling institution.

"**Paying Agents**" means the Principal Paying Agent, the U.S. Paying Agent and any successor or additional paying agents appointed pursuant to the terms of the Collateral Administration and Agency Agreement.

"**Payment Account**" means the non-interest bearing account described as such in the name of the Issuer held with the Account Bank.

"**Payment Date**" means:

(a) 15 January, 15 April, 15 July and 15 October at any time prior to the occurrence of a Frequency Switch Event; and

(b) 15 January and 15 July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July or (ii) 15 April and 15 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October), following the occurrence of a Frequency Switch Event,

in each case, in each year commencing on 15 October 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.

"**Payment Date Report**" means the report which is prepared by the Collateral Administrator (in consultation with, and in part based on certain information provided by, the Investment Manager) on behalf of the Issuer and which is made available via a secured website at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Arranger, the Co-Arranger, the Initial Purchaser, the Rating Agencies and the Noteholders from time to time) which shall be accessible on the second Business Day before the relevant Payment Date, to the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Initial Purchaser, the Arranger, the Co-Arranger, the Rating Agencies and to any Noteholder by way of a unique

password which in the case of each Noteholder may be obtained from the Collateral Administrator (subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes).

"**Payment Frequency**" means, in respect of an Interest Smoothing Obligation, the number of months in an interest period in relation to such Interest Smoothing Obligation.

"**Person**" means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**Permitted Use**" means, with respect to the proceeds from the issuance of additional Subordinated Notes in accordance with Condition 17 (*Additional Issuances*), any of the following uses:

(a) the transfer of the applicable portion of such amount to the Interest Account for application as Interest Proceeds;

(b) the transfer of the applicable portion of such amount to the Principal Account for application as Principal Proceeds; or

(c) the transfer of the applicable portion of such amount to the Refinancing Account to pay for Refinancing Costs.

"**PIK Security**" means a debt security the terms of which permit the deferral of the payment of interest in cash thereon through additions to the principal amount thereof for a specified period in the future or for the remainder of its life or by capitalising interest due on such security as principal.

"**Portfolio**" means the Portfolio Assets, Exchanged Securities, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"**Portfolio Asset**" means any debt obligation or debt security purchased by or on behalf of the Issuer and which satisfies the Eligibility Criteria. References to Portfolio Assets shall not include Eligible Investments or Exchanged Securities. The failure of any debt obligation or debt security to satisfy any of the Eligibility Criteria at any time after the Issuer or the Investment Manager on behalf of the Issuer has entered into a binding agreement to purchase it, shall not cause such debt obligation or debt security to cease to constitute a Portfolio Asset.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests as defined in the Investment Management Agreement.

"**Potential Note Event of Default**" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition would constitute a Note Event of Default.

"**Presentation Date**" means a day which (subject to Condition 12 (*Prescription*)):

(a) is a Business Day;

(b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and

(c) is a Business Day in which the account specified by the payee is open.

"**Principal Account**" means the interest bearing 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 voting rights attributable to the Class C Notes, the Class D Notes, the Class E Notes

and the Class F Notes, as applicable, and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

"**Principal Balance**" means, with respect to any Portfolio Asset, Eligible Investment or Exchanged Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than any interest capitalised at the date such instrument is acquired by the Issuer), **provided however that**:

(a) the Principal Balance of each Exchanged Security shall be deemed to be zero;

(b) for the purposes of determining the Aggregate Collateral Balance for the purposes of the Portfolio Profile Tests and the Collateral Quality Tests (other than the S&P CDO Monitor Test), the Principal Balance of any Defaulted Obligations shall be zero;

(c) so long as Fitch is rating any Notes, in respect of a Portfolio Asset, (x) the Fitch Rating of which has been determined pursuant to paragraph (a)(vii) of the definition of Fitch Rating for a consecutive period of 90 days during which Fitch has not provided a credit opinion in respect of such Portfolio Asset and (y) that has not had a public rating by Fitch withdrawn or suspended within six months prior to the date of application for a credit opinion in respect of such Portfolio Asset, following the earlier of (A) Fitch notifying the Investment Manager that no credit estimate will be provided for such Portfolio Asset after the expiry of the 90-day period during which Fitch has not provided a credit estimate and (B) the expiry of a period of six months during which the Fitch Rating of such Portfolio Asset has been continuously determined in accordance with paragraph (a)(vii) of the definition of Fitch Rating without a credit opinion having been assigned to it during such period, the Principal Balance of such Portfolio Asset shall be zero, unless Fitch has agreed to extend such period, and until a Fitch Rating can be determined in respect of such Portfolio Asset pursuant to paragraphs (a)(i) to (vi) of the definition of Fitch Rating, a credit opinion being assigned by Fitch in respect of such Portfolio Asset or such other treatment being applied to such Portfolio Asset as may be advised by Fitch;

(d) so long as S&P is rating any Notes, in respect of a Portfolio Asset, (x) the S&P Rating of which has been determined pursuant to paragraph (c)(ii) of the definition of S&P Rating for a consecutive period of 90 days during which S&P has not provided a credit estimate in respect of such Portfolio Asset and (y) that has not had a public rating by S&P withdrawn or suspended within six months prior to the date of application for a credit estimate in respect of such Portfolio Asset, following the earlier of (A) S&P notifying the Investment Manager that no credit estimate will be provided for such Portfolio Asset after the expiry of the 90-day period during which S&P has not provided a credit estimate and (B) the expiry of a period of six months during which the S&P Rating of such Portfolio Asset has been continuously determined in accordance with paragraph (c)(ii) of the S&P Rating definition without a credit estimate having been assigned to it during such period, the Principal Balance of such Portfolio Asset will be zero, unless S&P has agreed to extend such period, and until an S&P Rating can be determined in respect of such Portfolio Asset pursuant to paragraphs (a), (b) or (c)(i) of the definition of S&P Rating, a credit estimate being assigned by S&P in respect of such Portfolio Asset or such other treatment being applied to such Portfolio Asset as may be advised by S&P; and

(e) for the purposes of determining whether a Note Event of Default has occurred in accordance with paragraph (viii) (*Portfolio Assets*) of Condition 10(a) (*Note Events of Default*), the Principal Balance of each Portfolio Asset shall be the outstanding principal amount thereof, **provided however that** in the case of a Defaulted Obligation, such outstanding principal amount shall be multiplied by the Market Value of such Defaulted Obligation as at the relevant date of determination.

"**Principal Priority of Payments**" means the priority of payments in respect of Principal Proceeds set out in Condition 3(c)(ii) (*Principal Priority of Payments*).

"**Principal Proceeds**" means all amounts paid or payable into the Principal Account from time to time and, with respect to any Payment Date, means amounts in the nature of principal received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed out of the Payment Account on such Payment Date pursuant to Condition 3(c)(ii) (*Principal Priority of Payments*) or Condition 11(b) (*Enforcement*).

"**Priorities of Payment**" means, as the case may be, the Interest Priority of Payments, the Principal Priority of Payments and/or the Acceleration Priority of Payments.

"**Project Finance Loan**" means a loan obligation under which the obligor is obliged to make payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of payments) on revenues arising from infrastructure assets, including, without limitation:

(a) the sale of products, such as electricity, water, gas or oil, generated by one or more infrastructure assets in the utility industry by a special purpose entity; and

(b) fees charged in respect of one or more highways, bridges, tunnels, pipelines or other infrastructure assets by a special purpose entity, and

in each case, the sole activity of such special purpose entity is the ownership and/or management of such asset or assets and the acquisition and/or development of such asset by the special purpose entity was effected primarily with the proceeds of debt financing made available to it on a limited recourse basis.

"**Purchased Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Portfolio Asset, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Portfolio Asset which was purchased at the time of the acquisition thereof with Principal Proceeds and/or amounts paid out of the Unused Proceeds Account.

"**QIB**" means a Person who is a qualified institutional buyer as defined in Rule 144A.

"**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**" means, with respect to any Portfolio Asset (and with correlative meaning "Rated"), the S&P Rating and/or the Fitch Rating, as applicable.

"**Rating Agencies**" means S&P and Fitch, **provided that** if at any time S&P and/or Fitch generally ceases to provide rating services, "**Rating Agencies**" shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer and the Investment Manager and notified by the Issuer to the Trustee (a "**Replacement Rating Agency**") and "Rating Agency" means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Investment Management Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to "Rating Agencies" shall be construed accordingly. Any rating agency shall cease to be a Rating Agency if, at any time, it ceases to assign a rating in respect of any Class of Rated Notes.

"**Rating Agency Confirmation**" means, with respect to any specified action, determination or appointment, receipt by the Issuer and/or the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has, as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, **provided that** such Rating Agency has, as at the relevant date, assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action, determination or appointment if such Rating Agency has declined a request from the Investment Manager, the Trustee or the Issuer to review the effect of such action, determination or appointment (**provided that** such Rating Agency has not declined the request on the basis of its fee not being paid for such confirmation) or if such Rating Agency announces or confirms to the Investment Manager, the Trustee or the Issuer that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment or such Rating Agency has ceased to engage in the business of providing ratings.

"**Rating Requirement**" means:

(a) in the case of the Account Bank:

(i) a long-term issuer credit rating of at least "A" by S&P and a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such short-term rating, a long-term issuer credit rating of at least "A"+" by S&P; and

(ii) a long-term issuer default rating of at least "A" by Fitch and a short-term issuer default rating of at least "F1" by Fitch;

(b) in the case of the Custodian or sub-custodian appointed thereby:

(i) a long-term issuer credit rating of at least "A" by S&P and a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such short-term rating, a long-term issuer credit rating of at least "A+" by S&P; and

(ii) a long-term issuer default rating of at least "A" by Fitch and a short-term issuer default rating of at least "F1" by Fitch; and

(c) in each case, (x) such other rating or ratings as may be agreed by the relevant Rating Agency as would maintain the then rating of the Rated Notes and (y) if any of the above requirements are not satisfied by any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

"**Receiver**" means an administrative receiver, trustee, administrator, custodian, conservator, liquidator, curator, examiner, manager, receiver or other similar official appointed in connection with any Insolvency Law or a security enforcement or related proceedings (whether appointed pursuant to the terms of the Trust Deed, pursuant to any statute, by a court or otherwise).

"**Record Date**" means the tenth day before the relevant Payment Date in respect of such Note.

"**Redemption Date**" means each date on which the Notes (or any of them) are redeemed pursuant to Condition 7 (*Redemption and Purchase*) or following the delivery date of an Acceleration Notice which has not been rescinded or annulled, or in each case, if such day is not a Business Day, the next following Business Day.

"**Redemption Notice**" means a redemption notice or other documents in the form available from the Transfer Agent which has been duly completed by a Noteholder and which specifies, amongst other things, the applicable Redemption Date.

"**Redemption Price**" means, when used with respect to:

(a) any Subordinated Note, such Subordinated Note's *pro rata* share of the amounts available to be distributed to the Subordinated Noteholders in accordance with the applicable Priorities of Payment; and

(b) any Rated Note (i) 100 per cent. of the Principal Amount Outstanding of the Rated Notes to be redeemed (including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any accrued and unpaid Deferred Interest on such Notes) *plus* (ii) accrued and unpaid interest thereon to the date of redemption.

"**Redemption Threshold Amount**" means the aggregate of all amounts which would be due and payable on redemption of the Rated Notes on the scheduled Redemption Date pursuant to Condition 10(c) (*Acceleration Priority of Payments*) and all other amounts which rank in priority to payments in respect of the Subordinated Notes in accordance with the Acceleration Priority of Payments.

"**Reference Banks**" has the meaning given to it in paragraph (2) of Condition 6(e)(i) (*Floating Rate of Interest*).

"**Refinancing**" has the meaning given to it in Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*).

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

"**Refinancing Costs**" means all fees, costs, charges and expenses incurred directly in respect of a Refinancing, as calculated by the Investment Manager.

"**Refinancing Notes**" has the meaning given to it in Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*).

"**Refinancing Proceeds**" means the cash proceeds received by the Issuer from the issuance and sale of Refinancing Notes.

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Collateral Administration and Agency Agreement.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to institutions that are non-U.S. Persons outside the United States in reliance on Regulation S.

"**Reinvestment Criteria**" means the Reinvestment Criteria as defined in the Investment Management Agreement.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (a) the end of the Due Period preceding the Payment Date falling in April 2017 or, if such day is not a Business Day, then the next succeeding Business Day, (b) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that such Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*)); and (c) the date on which the Investment Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Portfolio Assets in accordance with the Reinvestment Criteria.

"**Report**" means each Monthly Report and/or Payment Date Report.

"**Re-Priced Class**" has the meaning given to it in Condition 6(j)(i) (*Optional Re-Pricing*).

"**Re-Pricing Date**" has the meaning given to it in Condition 6(j)(ii) (*Optional Re-Pricing*).

"**Re-Pricing Intermediary**" has the meaning given to it in Condition 6(j)(i) (*Optional Re-Pricing*).

"**Re-Pricing**" has the meaning given to it in Condition 6(j)(i) (*Optional Re-Pricing*).

"**Re-Pricing Notice**" has the meaning given to it in Condition 6(j)(v)(A) (*Optional Re-Pricing*).

"**Re-Pricing Rate**" means the Applicable Margin that applies to a Re-Priced Class as specified in the Re-Pricing Notice relating to the relevant Re-Pricing.

"**Resolution**" means any Ordinary Resolution or Extraordinary Resolution, as the context may require.

"**Responsible Officer**" means, in relation to the Investment Manager any officer or employee of the Investment Manager who has direct responsibility for the administration of the Investment Management Agreement.

"**Retention**" means the retention of a material net economic interest in the transaction which will be comprised of an interest in the Retention Notes.

"**Retention Deficiency**" means, as of any date of determination, any event which occurs when the Principal Amount Outstanding of the Subordinated Notes held by the Retention Holder is less than 5 per cent. of the Aggregate Collateral Balance.

"**Retention Notes**" means, the Subordinated Notes held and retained by the Retention Holder in accordance with the Retention Requirements.

"**Retention Requirements**" means the CRR Retention Requirements, the AIFM Retention Requirements and the Solvency II Retention Requirements.

"**Revolving Obligation**" means any obligation (other than a Delayed Drawdown Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines, unfunded commitments under specific facilities and other similar loans and investments) that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the holder

thereof; but any such obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated irrevocably or reduced to zero.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Notes**" means Notes offered for sale within the United States or to U.S. Persons in reliance on Rule 144A.

"**Rule 17g-5**" means Rule 17g-5 under the Exchange Act.

"**S&P**" means Standard & Poor's Ratings Services, a division of the McGraw Hill Companies, Inc. and any successor or successors thereto.

"**S&P CCC Obligations**" means all Portfolio Assets, excluding Defaulted Obligations, with a S&P Rating of "CCC+" or lower.

"**S&P CDO Monitor Test**" has the meaning given to it in the Investment Management Agreement.

"**S&P Collateral Value**" means, in the case of any Portfolio Asset or Eligible Investment, the lower of: (a) its prevailing Market Value; and (b) the relevant S&P Recovery Rate, multiplied by its Principal Balance.

"**S&P Recovery Rate**" means, in respect of each Portfolio Asset, the recovery rate determined in accordance with the Investment Management Agreement or as so advised by S&P.

"**Sale Proceeds**" means all proceeds received upon the sale of any Portfolio Asset or any Exchanged Security to the extent the same represents Principal Proceeds, excluding any sale proceeds representing accrued interest designated as Interest Proceeds by the Investment Manager in accordance with the Investment Management Agreement, **provided that** no such designation may be made in respect of: (i) Purchased Accrued Interest; or (ii) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until such amounts represent Defaulted Obligation Excess Amounts, in each case net of any amounts expended by or payable by the Issuer or the Collateral Administrator (on behalf of the Issuer) in connection with the sale, disposition or termination of such Portfolio Asset.

"**Scheduled Principal Proceeds**" means in the case of any Portfolio Asset, scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments).

"**Second Lien Loan**" means a loan obligation (other than a Senior Secured Loan and a Mezzanine Loan) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation.

"**Secured 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 Arranger, the Initial Purchaser, the Investment Manager, the Trustee, the Agents, the Collateral Administrator, the Administrator, any Receiver or other Appointee of the Trustee and each other person who becomes a "**Secured Party**" pursuant to and in accordance with the Trust Deed and "**Secured Parties**" means any two or more of them as the context so requires.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securitisation Regulation**" means the regulation related to simple, transparent and standardised securitisation implemented into law, including any implementing regulations, technical standards and official guidance related thereto, following from the proposal relating thereto published by the European Commission of the European Union on 30 September 2015.

"**Senior Expenses Cap**" means, in respect of each Payment Date, the sum of:

(a) €275,000 per annum (*pro rated* for such Due Period on the basis of a 360 day year comprised of twelve 30 day months); and

(b) 0.025 per cent. per annum of the Aggregate Collateral Balance as at the Determination Date immediately preceding such Payment Date (*pro rated* for such Due Period on the basis of a 360 day year and the actual number of days elapsed in such Due Period),

provided however that if the amount of Trustee Fees and Expenses and Administrative Expenses paid on the three immediately preceding Payment Dates (or, if a Frequency Switch Event has occurred, the immediately preceding Payment Date) or during the related Due Period is less than the stated Senior Expenses Cap, the amount of such shortfall will be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, any such shortfall may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"**Senior Investment Management Fee**" means the fee payable to the Investment Manager (exclusive of VAT) in arrear on each relevant Payment Date in respect of the immediately preceding Due Period pursuant to the Investment Management Agreement in an amount, as determined by the Collateral Administrator, equal to 0.20 per cent. per annum (calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as of the beginning of the Due Period relating to the applicable Payment Date.

"**Senior Secured Bond**" means a Portfolio Asset that is a secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Senior Secured Loan) as determined by the Investment Manager in its reasonable business judgement, **provided that**:

(a) it is secured (i) by fixed assets of the Obligor or guarantor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets so numerous or diverse that the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by 100 per cent. of the equity interests in the stock of an entity owning either directly or indirectly such fixed assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such fixed assets or stock referred to in (a) above **provided that** a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the Obligor may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt.

"**Senior Secured Floating Rate Note**" means a Senior Secured Bond that bears a floating rate of interest.

"**Senior Secured Loan**" means a Portfolio Asset that is a senior secured loan as determined by the Investment Manager in its reasonable business judgement, **provided that**:

(a) it is secured (i) by fixed assets of the Obligor or guarantor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets so numerous or diverse that the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by 100 per cent. of the equity interests in the stock of an entity owning either directly or indirectly such fixed assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such fixed assets or stock referred to in (a) above **provided that** a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the Obligor may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt.

"**Similar Law**" means any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Investment Manager (or other persons responsible for the investment and operation of the Issuer's assets) to any Other Plan Law.

"**Similar Requirements**" means requirements similar to the Retention Requirements that apply to investments in securitisations by EEA undertakings for collective investment in transferable securities.

"**Solvency II**" means Directive 2009/138/EC including any implementing and/or delegated regulations, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"**Solvency II Retention Requirements**" means the risk retention requirements and due diligence requirements set out in Article 254 and Article 256 of Commission Delegated Regulation (EU) 2015/35 as amended from time to time including any guidance or any technical standards published thereto, in each case together with any amendments to those provisions or any successor or replacement provisions included in any European Union directive or regulation.

"**Special Redemption**" has the meaning given to it in Condition 7(f) (*Special Redemption*).

"**Special Redemption Amount**" has the meaning given to it in Condition 7(f) (*Special Redemption*).

"**Special Redemption Date**" has the meaning given to it in Condition 7(f) (*Special Redemption*).

"**Spot Rate**" means with respect to any conversion of any currency into Euro or, as the case may be, of Euro into any other relevant currency, the relevant spot rate of exchange determined by the Collateral Administrator on the date of calculation in consultation with the Investment Manager.

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

"**Step-Down Coupon Security**" means a security: (a) which does not pay interest over a specified period of time ending on its maturity, but which does provide for the payment of interest before such specified period; or (b) the interest rate of which decreases over a specified period of time other than due to the decrease of the floating rate index applicable to such security.

"**Step-Up Coupon Security**" means a security: (a) which does not pay interest over a specified period of time ending prior to its maturity, but which does provide for the payment of interest after the expiration of such specified period; or (b) the interest rate of which increases over a specified period of time other than due to the increase of the floating rate index applicable to such security.

"**Structured Finance Obligation**" means any debt security which is secured directly, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"**Subordinated Investment Management Fee**" means the fee payable to the Investment Manager (exclusive of VAT) in arrear on each relevant Payment Date in respect of the immediately preceding Due Period pursuant to the Investment Management Agreement in an amount, as determined by the Collateral Administrator, equal to 0.15 per cent. per annum (calculated semi-annually following the occurrence of a Frequency Switch Event and quarterly at all other times, in each case on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as of the beginning of the Due Period relating to the applicable Payment Date.

"**Subordinated Noteholder**" means each person who is registered in the Register as the holder of any Subordinated Note from time to time.

"**Substitute Portfolio Asset**" means a Portfolio Asset purchased in substitution for a previously held Portfolio Asset pursuant to the terms of the Investment Management Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Synthetic Security**" means a security or swap transaction (other than a letter of credit or a participation) that has payments of interest or principal on a reference obligation or the credit performance of a reference obligation.

"**Target Par Amount**" means €275,005,678.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer system (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**Third Party Indemnity Receipts**" has the meaning given to it in Condition 3(j)(vi) (*Expense Reserve Account*).

"**Total Proposed Holding**" has the meaning given to it in Condition 6(j) (*Optional Re-Pricing*).

"**Transaction Documents**" means the Trust Deed (including these Conditions), the Collateral Administration and Agency Agreement, the Subscription Agreement, the Investment Management Agreement, the Euroclear Pledge Agreement, the Collateral Acquisition Agreements, the Retention Undertaking Letter, the Administration Agreement and any document supplemental thereto or issued in connection therewith.

"**Trustee Fees and Expenses**" means the fees and expenses (including legal fees), costs, claims, charges, indemnities, disbursements and any other amounts payable to the Trustee and any Receiver, agent, delegate or other Appointee of the Trustee (in each case, appointed in accordance with the provisions of the Trust Deed) pursuant to the Trust Deed or any other Transaction Document from time to time plus any applicable VAT thereon payable under the Trust Deed or any other Transaction Document, including, but not limited to, indemnity payments and any fees, costs, charges and expenses properly incurred by the Trustee in respect of any Refinancing or Re-Pricing and, in respect of the foregoing, including any VAT and, in the case of any costs and expenses, such VAT to be limited to irrecoverable VAT.

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Portfolio Asset has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Portfolio Asset or under which the holders or creditors under such Portfolio Asset are the beneficiaries.

"**Unscheduled Principal Proceeds**" means with respect to any Portfolio Asset, principal proceeds received by the Issuer prior to the Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Portfolio Asset).

"**Unsecured Loan**" means an obligation in the form of a loan that is not secured (a) by fixed assets of the Obligor or guarantor thereof or (b) in the case of assets so numerous or diverse that the failure to take such security is consistent with reasonable secured lending practices, or, if and to the extent that the provision of security over assets is not permissible under applicable law, by 100 per cent. of the equity interests in the stock of an entity owning either directly or indirectly such fixed assets.

"**Unused Proceeds Account**" means an interest bearing account described as such in the name of the Issuer with the Account Bank.

"**U.S. Person**" means a U.S. person as such term is defined under Regulation S.

"**VAT**" means:

(a) any tax, interest or penalties imposed in compliance with the European Council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, without limitation, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and supplemental legislation and regulations); and

(b) any other tax, interest or penalties of a similar nature, whether imposed in a Member State in accordance with, in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or elsewhere.

"**Volcker Rule**" means Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

"**Written Resolution**" means any Resolution of the Noteholders in writing, as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**Zero-Coupon Security**" means any security the terms of which provide for repayment of a stated principal amount at a stated maturity date but which do not provide for periodic payments of interest in cash at any time while such security is outstanding.

2. Form and Denomination, Title, Transfer and Exchange

(a) Form and Denomination

The Notes of each Class will be issued in definitive, certificated, fully registered form, without interest coupons, talons and principal receipts attached, in the applicable Minimum Denomination and integral multiples of any Authorised Integral Amount in excess thereof. A Definitive Certificate will be issued to each Noteholder in respect of its registered holding of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded in the Register which the Issuer shall procure to be kept by the Registrar.

(b) Title to the Registered Notes

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Collateral Administration and Agency Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder. The Issuer shall procure that at all times the Register and any entire counterpart thereof is kept and maintained outside of the UK.

(c) Transfer

One or more Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or the Transfer Agent, of the Definitive Certificate representing such Note(s) to be transferred, with the form of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

(d) Delivery of New Certificates

Each new Definitive Certificate to be issued pursuant to Condition 2(c) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be mailed by pre-paid first class post, uninsured and at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d) (*Delivery of New Certificates*), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) Transfer Free of Charge

Transfer of Notes and Definitive Certificates representing such Notes in accordance with these Conditions on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(f) Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

(g) Regulations Concerning Transfer and Registration

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including without limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal or regulatory requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee and subject to not less than 60 days' notice of any such change having been given to the Noteholders in accordance with Condition 16 (*Notices*)), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations may be inspected at the offices of the Transfer Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) Forced transfer of Rule 144A Notes

If the Issuer determines at any time that any holder of an interest in a Rule 144A Note (1) is a U.S. Person and (2) is not a QIB (any such person, a "**Non-Permitted Holder**"), the Issuer shall promptly after determination that such person is a Non-Permitted Holder by the Issuer, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its Notes outside the United States to an institution that is a non-U.S. Person or within the United States to a U.S. Person that is a QIB within 30 days of the date of such notice. If such Non-Permitted Holder fails to effect the transfer of its Rule 144A Notes within such 30 day period, (a) the Issuer shall cause such Rule 144A Notes to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is an institution that is not a U.S. Person or is a QIB and (b) pending such transfer, no further payments will be made in respect of such beneficial interest. In any such forced transfer of a Rule 144A Note, the purchaser may be selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein, **provided, however, that** prior to the completion of such sale, the Non-Permitted Holder will have an opportunity to propose a prospective purchaser who may acquire the Notes at the highest bid received by the Issuer, and no later than the time any other bidder would have made its acquisition, and the Issuer will sell such Notes to such purchaser so long as it meets all applicable transfer restrictions. The Issuer reserves the right to require any holder of Notes to submit a written certification (to it or to any agent on its behalf) substantiating that it is a QIB or an institution that is a non-U.S. Person purchasing the Notes in a transaction meeting the requirements of Regulation S. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such certification is requested is not a QIB or is not an institution that is a non-U.S. Person. Furthermore, the Issuer and the Registrar reserve the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note to any Person who is not either an institution that is a non-U.S. Person or a U.S. Person that is a QIB.

(i) Forced transfer pursuant to FATCA

Each Noteholder will agree to provide the Issuer and its agents with any correct, complete and accurate forms or certifications that may be required for the Issuer to comply with FATCA and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the Noteholder fails to provide such forms or certifications, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to tax under FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to such Noteholder as compensation for any taxes to which the Issuer is subject under FATCA as a result of such failure or such Noteholder's ownership of Notes, and (B) except with respect to the Retention Holder's ownership of Retention Notes, to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such Noteholder's ownership of Notes, the Issuer will have the right to compel the Noteholder to sell its Notes, and, if such Noteholder does not sell its Notes within 10 business days after notice from the Issuer or any agent of the Issuer, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any costs, charges, and any taxes incurred by the Issuer in connection with such sale) to such Noteholder as payment in full for such Notes.

(j) Forced transfer pursuant to ERISA

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person, Other Plan Law or Similar Law representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation (any such Noteholder, a "**Non-Permitted ERISA Holder**") the Issuer shall, promptly after determining that such person is a Non-Permitted ERISA Holder, send notice to such Non-Permitted ERISA Holder demanding that such Non-Permitted ERISA Holder transfer its Notes to a purchaser that is not a Non-Permitted ERISA Holder. If the Noteholder fails to transfer such Notes within 10 days of notice from the Issuer, the Issuer shall have the right to sell or transfer such Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose, **provided, however, that** prior to the completion of such sale, the Non-Permitted ERISA Holder will have an opportunity to propose a prospective purchaser who may acquire the Notes at the highest bid received by the Issuer, and no later than the time the other bidder would have made its acquisition, and the Issuer will sell such Notes to such purchaser so long as it meets all applicable transfer restrictions.

(k) Forced transfer pursuant to Re-Pricing

On any Business Day on or after the expiration of the Non-Call Period, at the direction of (i) the Investment Manager with the consent of the Subordinated Noteholders (acting by way of Ordinary Resolution) or (ii) the Subordinated Noteholders (acting by way of Ordinary Resolution) with the consent of the Investment Manager, the Issuer shall reduce the Applicable Margin with respect to any Class of Rated Notes; **provided that** the Issuer shall not effect any Re-Pricing unless each condition specified in Condition 6(j) (*Optional Re-Pricing*) is satisfied with respect thereto. If any holders of a Re-Priced Class do not consent to the proposed Re-Pricing within the time period described herein, the Issuer (or a Re-Pricing Intermediary acting on behalf of the Issuer) will have the right to cause the Non-Consenting Holders to sell their Rated Notes of the Re-Priced Class on the Re-Pricing Date to one or more transferees at a sale price equal to the Redemption Price of such Notes. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Rated Notes sold or otherwise transferred as a result of any such sale or transfer.

(l) Forced Transfer Mechanics

In respect of any forced transfer referred to in Condition 2(h) (*Forced transfer of Rule 144A Notes*), Condition 2(i) (*Forced transfer pursuant to FATCA*), Condition 2(j) (*Forced transfer pursuant to ERISA*) or Condition 2(k) (*Forced transfer pursuant to Re-Pricing*):

(i) Except in respect of a Retention Note, each Noteholder and each other Person in the chain of title from the Noteholder to the Non-Permitted ERISA Holder, Non-Permitted Holder, Noteholder who fails to provide the Issuer or any other agent of the Issuer with any information or certifications required for the Issuer to comply with FATCA or, as the case may be, Non-Consenting Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer, to the extent required to effect such transfers.

(ii) The terms and conditions of any transfer (including the sale price (which could be for less than the market value) and any eligible transferees) shall (subject as provided above in Condition 2(h) (*Forced transfer of Rule 144A Notes*), Condition 2(i) (*Forced transfer pursuant to FATCA*), Condition 2(j) (*Forced transfer pursuant to ERISA*) and Condition 2(k) (*Forced transfer pursuant to Re-Pricing*)) be determined by the Issuer in its sole discretion.

(iii) The proceeds of any sale (net of any costs, commissions, taxes and expenses incurred by the Issuer in connection with such transfer) shall be remitted to the selling Noteholder.

(iv) Neither the Issuer nor the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer.

3. Status

(a) Status

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse*).

The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) Relationship Among the Classes

Payments of interest on the Class A Notes on each Payment Date will rank senior to payments of interest in respect of each other Class; payments of interest on the Class B Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class A Notes, but senior in right of payment to payments of interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payments of interest on the Class C Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class A Notes and the Class B Notes, but senior in right of payment to payments of interest on the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payments of interest on the Class D Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes and the Class C Notes, but senior in right of payment to payments of interest on the Class E Notes, the Class F Notes and the Subordinated Notes; payments of interest on the Class E Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but senior in right of payment to payments of interest on the Class F Notes and the Subordinated Notes; payments of interest on the Class F Notes on each Payment Date will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, but senior in right of payment to payments of interest on the Subordinated Notes. Payment of interest on the Subordinated Notes on each Payment Date will be subordinated in right of payment to payment of interest in respect of the Rated Notes. Interest on the Subordinated Notes shall be paid *pari passu* and without preference amongst themselves.

Except in the case of a Refinancing where Rated Notes may be redeemed in any order, the following will apply. No amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class 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; **provided that** certain Interest Proceeds will be available for payment of principal in respect of the Class F Notes subject to and in accordance with the Interest Priority of Payments. Subject to the applicability of the Acceleration Priority of Payments, the Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal Priority of Payments on a *pari passu* basis. Payments on the Subordinated Notes are subordinated to payments on the Rated Notes and other amounts described in the Priorities of Payment and no payments out of Principal Proceeds will be made on the Subordinated Notes until the Rated Notes and other payments ranking prior to the Subordinated Notes in accordance with the Priorities of Payment are paid in full.

(c) Priorities of Payment

The Collateral Administrator shall (consistent with the Payment Date Reports prepared by the Collateral Administrator in consultation with, and based on certain information provided by, the Investment Manager pursuant to the terms of the Investment Management Agreement), on behalf of the Issuer and in consultation with the Investment Manager, on each Payment Date cause the Account Bank to disburse Interest Proceeds and Principal Proceeds transferred to the Payment Account on the Business Day prior thereto in accordance with the following Priorities of Payment:

(i) Interest Priority of Payments

Prior to (a) the Maturity Date, (b) such other date on which all Notes are redeemed in full pursuant to Condition 7 (*Redemption and Purchase*) or (c) the delivery date of an Acceleration Notice (and, if such Acceleration Notice is subsequently rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*), from and including the date on which such Acceleration

Notice is rescinded or annulled until any of the events described in (a), (b) or (c) above subsequently occurs), Interest Proceeds in respect of each Due Period shall be applied on the Payment Date immediately following such Due Period in the following order of priority:

(A) in payment of (1) the Issuer Fee in respect of such Payment Date, and (2) taxes owing by the Issuer which became due and payable during the related Due Period, if any, as certified in writing by an Authorised Officer of the Issuer to the Collateral Administrator (save for any Irish corporate income tax in relation to the Issuer Fee and any VAT payable in respect of any Investment Management Fee or any other tax payable in relation to any amount payable to the Secured Parties);

(B) in payment of due and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap, **provided that** upon the occurrence of a Note Event of Default, the Senior Expenses Cap shall not apply to this paragraph (B);

(C) in payment of due and unpaid Administrative Expenses in the order of priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap less any amounts paid pursuant to paragraph (B) above in respect of the related Due Period;

(D) to the Expense Reserve Account of an amount up to the Ongoing Expense Reserve Amount;

(E) in payment:

(1) *firstly*, to the Investment Manager of the Senior Investment Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority) (save for any Deferred Senior Investment Management Amounts) provided that the Investment Manager may, in its sole discretion, defer payment of some or all of the amounts that would have been payable to the Investment Manager under this paragraph (E) (any such amounts, being "**Deferred Senior Investment Management Amounts**") on any Payment Date, and any such amount shall be applied in payment of amounts in accordance with paragraphs (F) to (W) (inclusive) and (Y) to (CC) (inclusive) below, subject to the Investment Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so deferred. Any deferral of the Senior Investment Management Fee under this paragraph (E) shall not be treated as non-payment for the purposes of making further payments pursuant to this Condition 3(c)(i);

(2) *secondly*, to the Investment Manager of any previously due and unpaid Senior Investment Management Fees (other than Deferred Senior Investment Management Amounts) and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(F) in payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class A Notes in respect of the Interest Period ending on such Payment Date and all other Interest Amounts due and payable on such Class A Notes;

(G) in payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class B Notes in respect of the Interest Period ending on such Payment Date and all other Interest Amounts due and payable on such Class B Notes;

(H) if (i) the Class A/B Par Value Test is not satisfied on any Determination Date falling after the Effective Date or (ii) the Class A/B Interest Coverage Test is not satisfied on any Interest Coverage Test Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause such Class A/B Coverage Test to be satisfied if recalculated following such redemption;

(I) in payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class C Notes in respect of the Interest Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Interest Period);

(J) in payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class C Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(K) if (i) the Class C Par Value Test is not satisfied on any Determination Date falling after the Effective Date or (ii) the Class C Interest Coverage Test is not satisfied on any Interest Coverage Test Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class C Coverage Test to be satisfied if recalculated following such redemption;

(L) in payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class D Notes in respect of the Interest Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Interest Period);

(M) in payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class D Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(N) if (i) the Class D Par Value Test is not satisfied on any Determination Date falling after the Effective Date or (ii) the Class D Interest Coverage Test is not satisfied on any Interest Coverage Test Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test to be satisfied if recalculated following such redemption;

(O) in payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class E Notes in respect of the Interest Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Interest Period);

(P) in payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class E Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(Q) if the Class E Par Value Test is not satisfied on any Determination Date falling after the Effective Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause the Class E Par Value Test to be satisfied if recalculated following such redemption;

(R) in payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class F Notes in respect of the Interest Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Interest Period);

(S) in payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class F Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(T) if the Class F Par Value Test is not satisfied on any Determination Date falling after the Effective Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause the Class F Par Value Test to be satisfied if recalculated following such redemption;

(U) on the Payment Date next following the Effective Date (and on each Payment Date thereafter to the extent required), in the event of the occurrence of an Effective Date Rating Event which is continuing on the second Business Day prior to such Payment Date, to redeem the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing;

(V) in payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(W) in payment of Administrative Expenses (if any) in the order of priority stated in the definition thereof not paid by reason of the Senior Expenses Cap;

(X) in payment:

(1) *firstly*, to the Investment Manager of the Subordinated Investment Management Fee due and payable on such Payment Date and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority) (save for any Deferred Subordinated Investment Management Amount) **provided that** the Investment Manager may, in its sole discretion, defer payment of some or all of the amounts that would have been payable to the Investment Manager under this paragraph (X) (any such amounts, being "**Deferred Subordinated Investment Management Amounts**") on any Payment Date, and any such amount shall be applied in payment of amounts in accordance with paragraphs (Y) to (CC) (inclusive) below, subject to the Investment Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so deferred. Any deferral of the Subordinated Investment Management Fee under this paragraph (X) shall not be treated as non-payment for the purposes of making further payments pursuant to this Condition 3(c)(i) (*Interest Priority of Payments*);

(2) *secondly*, to the Investment Manager of any previously due and unpaid Subordinated Investment Management Fee (other than Deferred Subordinated Investment Management Amounts) and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(Y) at the election of the Investment Manager (at its sole discretion), to the Investment Manager in payment of any Deferred Senior Investment Management Amounts and Deferred Subordinated Investment Management Amounts, in each case to the extent the same remain outstanding from any previous Payment Date following the election of the Investment Manager to defer such amounts and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(Z) 25 per cent. of any remaining Interest Proceeds, to redeem the Class F Notes on a *pro rata* basis until all of the Class F Notes have been redeemed in full;

(AA) at the election of the Investment Manager (as its sole discretion), to the Investment Manager in payment of any Deferred Incentive Investment Management Amounts to the extent the same remain outstanding from any previous Payment Date following the election of the Investment Manager to defer such amounts and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(BB) until the Incentive Investment Management Fee IRR Threshold has been reached, any remaining Interest Proceeds to the payment of interest on the Subordinated Notes on a pro rata basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption); and

(CC) if, on any Payment Date after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date in accordance with the Interest Priority of Payments and the Principal Priority of Payments, the Incentive Investment Management Fee IRR Threshold has been reached on or prior to such Payment Date:

(1) 20 per cent. of any remaining Interest Proceeds, to the payment to the Investment Manager as an Incentive Investment Management Fee (including any Deferred Incentive Investment Management Amounts); and any VAT in respect thereof (whether payable to the Investment Manager or directly to the taxing authority), provided that the Investment Manager may, in its sole discretion, defer payment of some or all of the amounts that would have been payable to the Investment Manager under this sub-paragraph (1) (any such amounts, being "**Deferred Incentive Investment Management Amounts**") on any Payment Date, and any such amount shall be applied in payment of amounts in accordance with sub-paragraph (2) below, subject to the Investment Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so deferred. Any deferral of the Incentive Investment Management

Fee under this sub-paragraph (1) shall not be treated as non-payment for the purposes of making further payments pursuant to this Condition 3(c)(i); and

(2) 80 per cent. of any remaining Interest Proceeds, to the payment of interest on the Subordinated Notes on a pro rata basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(ii) Principal Priority of Payments

Prior to (a) the Maturity Date, (b) such other date on which all Notes are redeemed in full pursuant to Condition 7 (*Redemption and Purchase*) or (c) the delivery date of an Acceleration Notice (and, if such Acceleration Notice is subsequently rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*), from and including the date on which such Acceleration Notice is rescinded or annulled until any of the events described in (a), (b) or (c) above subsequently occurs) Principal Proceeds in respect of each Due Period shall be applied, on the Payment Date immediately following such Due Period in the following order of priority:

(A) in payment, on a sequential basis, of the amounts referred to in paragraphs (A) to (C) (inclusive) and (E) to (G) (inclusive) of the *Interest Priority of Payments*, but only to the extent not paid in full thereunder;

(B) in payment of the amounts referred to in paragraph (H) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class A/B Coverage Tests that are applicable on such Payment Date with respect to the Class A Notes and the Class B Notes to be satisfied;

(C) in payment of the amounts referred to in paragraph (I) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(D) in payment of the amounts referred to in paragraph (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;

(E) in payment of the amounts referred to in paragraph (K) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be satisfied;

(F) in payment of the amounts referred to in paragraph (L) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(G) in payment of the amounts referred to in paragraph (M) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(H) in payment of the amounts referred to in paragraph (N) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class D Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be satisfied;

(I) in payment of the amounts referred to in paragraph (O) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(J) in payment of the amounts referred to in paragraph (P) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;

(K) in payment of the amounts referred to in paragraph (Q) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class E Par Value Test that is applicable on such Payment Date with respect to the Class E Notes to be satisfied;

(L) in payment of the amounts referred to in paragraph (R) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(M) in payment of the amounts referred to in paragraph (S) of the Interest Priority of Payments, but only to the extent not paid in full thereunder and only to the extent that the Class F Notes are the Controlling Class;

(N) in payment of the amounts referred to in paragraph (T) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class F Par Value Test that is applicable on such Payment Date with respect to the Class F Notes to be satisfied;

(O) in payment of the amounts referred to in paragraph (U) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(P) if such Payment Date is a Special Redemption Date, at the election of the Investment 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) during the Reinvestment Period, in the case of Principal Proceeds representing Unscheduled Principal Proceeds, at the discretion of the Investment Manager, either to the purchase of Substitute Portfolio Assets or to the Principal Account pending reinvestment in Substitute Portfolio Assets at a later date, in each case in accordance with the Investment Management Agreement;

(R) all remaining Principal Proceeds to redeem the Notes in accordance with the Note Payment Sequence until all of the Rated Notes are fully redeemed;

(S) in payment on a sequential basis of the amounts referred to in paragraphs (V) to (Z) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(T) until the Incentive Investment Management Fee IRR Threshold has been reached, any remaining Principal Proceeds to the payment of the principal on the Subordinated Notes on a pro rata basis and thereafter in payment of interest on the Subordinated Notes on a pro rata basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption); and

(U) if, on any Payment Date after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date in accordance with the Interest Priority of Payments and the Principal Priority of Payments, the Incentive Investment Management Fee IRR Threshold has been reached on or prior to such Payment Date:

(1) 20 per cent. of any remaining Principal Proceeds, to the payment to the Investment Manager as an Incentive Investment Management Fee (including any Deferred Incentive Investment Management Amounts); and any VAT in respect thereof (whether payable to the Investment Manager or directly to the taxing authority), provided that the Investment Manager may, in its sole discretion, defer payment of some or all of the amounts that would have been payable to the Investment Manager under this sub-paragraph (1) (any such amounts, being "**Deferred Incentive Investment Management Amounts**") on any Payment Date, and any such amount shall be applied in payment of amounts in accordance with sub-paragraph (2) below, subject to the Investment Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so deferred. Any deferral of the Incentive Investment Management Fee under this sub-paragraph (1) shall not be treated as non-payment for the purposes of making further payments pursuant to this Condition 3(c)(ii); and

(2) 80 per cent. of any remaining Principal Proceeds, to payment of principal on the Subordinated Notes on a *pro rata* basis and thereafter in payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by

reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(d) Non-payment of Amounts

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

Subject always, in the case of Interest Amounts payable in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes to Condition 6(c) (*Deferral of Interest*) and save as otherwise provided in respect of any unpaid Investment Management Fees (plus VAT payable in respect thereof), in the event of non-payment of any amounts referred to in Condition 3(c)(i) (*Interest Priority of Payments*) or Condition 3(c)(ii) (*Principal Priority of Payments*) on any Payment Date, such amounts shall remain due and shall be payable on each subsequent Payment Date in the orders of priority provided for in this Condition 3(c) (*Priorities of Payment*). References to amounts in the Interest Priority of Payments and the Principal Priority of Payments shall include any amounts thereof not paid when due on any preceding Payment Date.

(e) Determination and Payment of Amounts

The Collateral Administrator (on behalf of the Issuer) will, in consultation with the Investment Manager, on each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payment and shall make available the Payment Date Report, determined as of such Determination Date, to the persons entitled thereto pursuant to the Collateral Administration and Agency Agreement no later than the Business Day before the relevant Payment Date. The Account Bank (acting in accordance with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer in consultation with the Investment Manager) shall, on behalf of the Issuer not later than the Business Day preceding each Payment Date, cause the amounts standing to the credit of the Principal Account and if applicable the Interest Account (together with, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Priority of Payments, the Principal Priority of Payments and the Acceleration Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) De Minimis Amounts

The Collateral Administrator may, in consultation with the Investment Manager, adjust the amounts required to be applied in payment of principal on the Class 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 from time to time pursuant to the Priorities of Payment so that the amount to be so applied in respect of each Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, Class F Note and Subordinated Note is a whole amount, not involving any fraction of a 0.01 Euro or, at the discretion of the Collateral Administrator, part of a Euro.

(g) Publication of Amounts

The Collateral Administrator will cause details as to the amounts of interest and principal to be paid, and any amounts of interest payable but which will not be paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Trustee, the Principal Paying Agent and the Registrar by no later than the second Business Day following the applicable Determination Date.

(h) Notifications to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Investment Manager, the Trustee, the Registrar, the Principal Paying Agent, the Paying Agents, the Transfer Agent, the Exchange Agent, the U.S. Paying Agent, other Agents and all Noteholders and (in the absence of fraud, negligence or wilful default) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(i) Accounts

The Issuer shall, prior to the Issue Date (and where necessary also following the Issue Date), establish the following accounts with the Account Bank or (as the case may be) with the Custodian:

- the Principal Account;
- the Interest Account;
- the Unused Proceeds Account;
- the Payment Account;
- the Refinancing Account;
- the Custody Account;
- the Expense Reserve Account;
- the Interest Smoothing Account; and
- the Collection Account.

The Issuer will grant certain control rights over the Accounts to the Trustee consistent with Rule 3a-7. Such control rights include the following:

(i) neither the Investment Manager nor the Collateral Administrator shall debit or credit any Account absent a prior instruction (which may be a standing instruction) from the Trustee; and

(ii) the Collateral Administrator shall provide a draft Payment Date Report detailing distributions to be made from the Payment Account on such Payment Date in accordance with the terms of the Collateral Administration and Agency Agreement. The Collateral Administrator shall procure such distributions from the Payment Account unless the Trustee notifies the Collateral Administrator that it objects to such payments.

The Account Bank and the Custodian shall at all times each be required to be a financial institution satisfying the Rating Requirement applicable thereto (or whose obligations are guaranteed by a guarantor which satisfies the applicable Rating Requirement) which has the necessary regulatory capacity and licences to perform the services required by it. If either the Account Bank or the Custodian at any time fails to satisfy the Rating Requirement, the Issuer shall use commercially reasonable efforts to procure that a replacement Account Bank and/or Custodian acceptable to the Trustee, which satisfies the Rating Requirement is appointed within 30 calendar days in accordance with the provisions of the Collateral Administration and Agency Agreement.

Amounts standing to the credit of the Accounts (other than the Payment Account, the Refinancing Account and the Collection Account) from time to time may be invested by the Investment Manager on behalf of the Issuer in Eligible Investments.

All interest accrued on any of the Accounts from time to time shall be paid into the Interest Account. All principal amounts received in respect of Eligible Investments standing to the credit of any Account from time to time shall be credited to that Account upon maturity. All interest accrued on such Eligible

Investments (including capitalised interest received upon the sale, maturity or termination of any such investment) shall be paid to the Interest Account as, and to the extent provided, above.

To the extent that any amounts required to be paid into any Account pursuant to the provisions of this Condition 3 (*Status*) are denominated in a currency which is not that in which the Account is denominated, the Investment Manager, acting on behalf of the Issuer, may convert such amounts into the currency of the Account at the Spot Rate.

(j) Payments to and from the Accounts

(i) Principal Account

The Issuer shall procure that the following amounts are paid into the Principal Account as soon as reasonably practicable upon receipt thereof:

(A) all principal payments received in respect of any Portfolio Asset, including, without limitation:

(1) amounts received in respect of any maturity, scheduled amortisation, mandatory or optional prepayment or mandatory sinking fund payment and any redemption or early redemption on a Portfolio Asset;

(2) Scheduled Principal Proceeds and Unscheduled Principal Proceeds;

(3) any other principal payments with respect to Portfolio Assets to the extent not included in the Sale Proceeds; and

(4) all accrued or capitalised interest included in any Sale Proceeds, Scheduled Principal Proceeds or Unscheduled Principal Proceeds with respect to Portfolio Assets, in respect of which no designation has been made pursuant to Condition 3(j)(ii)(C);

(B) all interest and other amounts received in respect of any Defaulted Obligations save for any Defaulted Obligation Excess Amounts;

(C) all Sale Proceeds received in respect of any Portfolio Asset;

(D) all fees and commissions received in connection with the purchase or sale of any Portfolio Assets or Eligible Investments or the work out or restructuring of any Portfolio Assets;

(E) all Distributions and Sale Proceeds received in respect of Exchanged Securities;

(F) all Purchased Accrued Interest;

(G) all premiums (including prepayment premiums) receivable upon redemption of any Portfolio Assets at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Portfolio Asset;

(H) all amounts payable into the Principal Account pursuant to this Condition 3(j) (*Payments to and from the Accounts*);

(I) any other amounts received in respect of the Collateral which are not required to be paid into another Account; and

(J) all proceeds received from any additional issuance of Subordinated Notes that are not paid into the Interest Account at the discretion of the Investment Manager (acting on behalf of the Issuer) or designated to be paid into the Refinancing Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Principal Account:

(1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal Priority of Payments, save for (x) amounts deposited after the end of the related Due Period and (y) any Unscheduled Principal

Proceeds deposited prior to the end of the related Due Period to the extent such Unscheduled Principal Proceeds are permitted to be and have been designated for reinvestment by the Investment Manager (on behalf of the Issuer) pursuant to the Investment Management Agreement for a period beyond such Payment Date, **provided that** no such payment shall be made to the extent that such amounts are not required to be distributed pursuant to the Principal Priority of Payments on such Payment Date;

(2) at any time, in accordance with the terms of, and to the extent permitted under, the Investment Management Agreement, in the acquisition of Portfolio Assets; and

(3) at any time, all interest accrued from time to time on the Balance standing to the credit of the Principal Account, to the Interest Account.

(ii) Interest Account

The Issuer shall procure that the following amounts are paid into the Interest Account as soon as reasonably practicable upon receipt thereof:

(A) all cash payments of interest in respect of the Portfolio Assets other than Purchased Accrued Interest together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of any reimbursement received by the Issuer in respect of any amounts previously withheld or deducted, but excluding any interest received in respect of any Defaulted Obligations;

(B) all amendment and waiver fees, late payment fees, commitment fees, syndication fees and all other fees and commissions received in connection with (1) any Portfolio Asset or (2) any Eligible Investment but excluding any fees and commissions received in connection with the purchase or sale of any Portfolio Assets or Eligible Investments or the work out or restructuring of any Portfolio Asset;

(C) all accrued or capitalised interest included in the proceeds of sale of any Portfolio Asset that is designated by the Investment Manager (acting on behalf of the Issuer) as Interest Proceeds pursuant to the Investment Management Agreement, **provided that** no such designation may be made in respect of:

(1) any Purchased Accrued Interest; or

(2) proceeds representing accrued interest received in respect of any Defaulted Obligation;

(D) all interest accrued on the Interest Account from time to time and all interest accrued in respect of Balances standing to the credit of the other Accounts;

(E) all interest and other amounts received in respect of any Defaulted Obligations and constituting Defaulted Obligation Excess Amounts;

(F) all amounts payable into the Interest Account pursuant to this Condition 3(j) (*Payments to and from the Accounts*);

(G) all proceeds received from any additional issuance of Subordinated Notes that are not paid into the Principal Account at the discretion of the Investment Manager (acting on behalf of the Issuer) or designated to be paid into the Refinancing Account; and

(H) on the Issue Date, an amount equal to €1,155,142.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Interest Account:

(1) on the Business Day prior to each Payment Date, all Interest Proceeds standing to the credit of the Interest Account to the Payment Account for disbursement pursuant to the Interest Priority of Payments and save for amounts deposited after the end of the related Due Period;

(2) at any time, in payment of Trustee Fees and Expenses and Administrative Expenses, in an amount in any Due Period not to exceed the Senior Expenses Cap;

(3) on the Business Day following each Determination Date save for (i) the first Determination Date following the Issue Date; (ii) a Determination Date following the occurrence of a Note Event of Default which is continuing; (iii) the Determination Date immediately prior to any redemption of the Notes in full, and (iv) any Determination Date on or following the occurrence of a Frequency Switch Event, any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account in respect of each Interest Smoothing Obligation; and

(4) at any time, at the direction of the Investment Manager in accordance with the terms of the Investment Management Agreement, any amount representing interest received in respect of a Portfolio Asset and accrued to (but excluding) the Issue Date, to the Seller in accordance with the terms of the applicable Collateral Acquisition Agreement (or such other agreement between, amongst others, the Seller and the Issuer that gives effect to such Collateral Acquisition Agreement).

(iii) Unused Proceeds Account

The Issuer shall procure that the following amounts are paid into the Unused Proceeds Account as soon as reasonably practicable upon receipt thereof:

(A) an amount transferred from the Collection Account equal to the net proceeds of issue of the Notes remaining after the payment of all amounts pursuant to Condition 3(j)(vii) (*Collection Account*) below.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Unused Proceeds Account:

(1) at any time, in the settlement of the Portfolio Assets which the Issuer committed to purchase prior to the Issue Date but the settlement of which has not yet occurred;

(2) on the later of (i) the Determination Date relating to the first Payment Date and (ii) the Business Day following the date on which the settlement of all Portfolio Assets has occurred, the Balance (save for such amounts representing interest accrued on the Unused Proceeds Account) to the Principal Account; and

(3) at any time, all interest accrued from time to time on the Balance standing to the credit of the Unused Proceeds Account, to the Interest Account.

(iv) Payment Account

The Issuer shall procure that, on the Business Day prior to each Payment Date, all amounts standing to the credit of each of the Accounts which are required to be transferred to the Payment Account pursuant to Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) are so transferred, and on such Payment Date, the Collateral Administrator shall cause the Account Bank to disburse such amounts in accordance with the applicable Priority of Payments. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with Condition 7(b) (*Optional Redemption*) in the Payment Account on or before the Business Day prior to the applicable Redemption Date. No amounts shall be transferred to or withdrawn from the Payment Account at any other time or in any other circumstances.

(v) Refinancing Account

The Issuer shall procure that an amount equal to the Refinancing Proceeds is credited to the Refinancing Account as soon as reasonably practicable upon receipt thereof. In addition, the Subordinated Noteholders acting by Ordinary Resolution may direct that all or a portion of the proceeds of an additional issuance of Subordinated Notes pursuant to Condition 17 (*Additional Issuance*) may be paid into the Refinancing Account as a Permitted Use.

The Issuer shall procure payment of the Refinancing Costs and the Principal Amount Outstanding of the Notes the subject of the Refinancing out of the Refinancing Account on any Payment Date occurring after the expiry of the Non-Call Period in accordance with Condition 7(b)(ii) (*Optional Redemption by Refinancing*) (and shall ensure that payment of no other amount is made).

(vi) Expense Reserve Account

The Issuer shall procure that the following amounts are paid into the Expense Reserve Account as soon as reasonably practicable upon receipt thereof:

(A) on the Issue Date, an amount transferred from the Collection Account determined on the Issue Date for the payment of certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes;

(B) any Ongoing Expense Reserve Amount to be paid into the Expense Reserve Account pursuant to paragraph (D) of the Interest Priority of Payments; and

(C) any amounts received by the Issuer by way of indemnity payments from Secured Parties ("**Third Party Indemnity Receipts**").

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Expense Reserve Account:

(1) other than Third Party Indemnity Receipts, at any time, amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of the Notes and the entry into the Transaction Documents;

(2) other than Third Party Indemnity Receipts, at any time, amounts standing to the credit of the Expense Reserve Account, on or after the Effective Date, in the sole discretion of the Issuer (or the Investment Manager acting on its behalf) to the Payment Account for disbursement as Interest Proceeds pursuant to the applicable Priorities of Payment;

(3) other than Third Party Indemnity Receipts, at any time, the amount of any Trustee Fees and Expenses and Administrative Expenses which have accrued and become payable prior to the immediately following Payment Date, upon receipt of invoices therefor from the relevant creditor, **provided that** any such payments, in aggregate, shall not cause the balance of the Expense Reserve Account to fall below zero;

(4) other than Third Party Indemnity Receipts, at any time, all interest accrued from time to time on the Balance standing to the credit of the Expense Reserve Account, to the Interest Account;

(5) on any date, any Third Party Indemnity Receipts due and payable by the Issuer to the Trustee, in an amount which shall not at any time exceed the lesser of (i) the amount paid into the Expense Reserve Account in accordance with paragraph (C) above; and (ii) the amount of any indemnity payments payable by the Issuer to the Trustee. Any such amount so paid shall not be taken into account for the purposes of the application of the Senior Expenses Cap; and

(6) any Third Party Indemnity Receipts in excess of the amount paid pursuant to paragraph (5) above shall be transferred to the Payment Account on the Business Day prior to each Payment Date for application in accordance with the Interest Priorities of Payment on such Payment Date.

(vii) Collection Account

The Issuer shall procure that the following amounts are credited to the Collection Account as soon as reasonably practicable upon receipt thereof:

(A) on the Issue Date, the net proceeds of issue of the Notes; and

(B) all amounts received in respect of Collateral (including without limitation distributions on and proceeds received from the disposition of any Portfolio Asset).

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, (i) to the Expense Reserve Account in the amount contemplated by Condition 3(j)(vi)(A) (*Expense Reserve Account*); and (ii) the balance, to the Unused Proceeds Account; and

(2) subject to the prior payment of all amounts pursuant to paragraph (1) above, in transfer to the other Accounts as required in accordance with Condition 3(i) (*Accounts*) on a daily basis, such that the balance standing to the credit of the Collection Account at the end of each Business Day is zero.

(viii) Interest Smoothing Account

On the Business Day following each Determination Date save for:

(A) the first Determination Date following the Issue Date;

(B) a Determination Date following the occurrence of a Note Event of Default which is continuing;

(C) the Determination Date immediately prior to any redemption of the Notes in full; and

(D) any Determination Date on or following the occurrence of a Frequency Switch Event,

the Interest Smoothing Amount (if any) in respect of each Interest Smoothing Obligation shall be credited to the Interest Smoothing Account from the Interest Account.

The Issuer shall, on the Business Day falling after each Payment Date, transfer to the Interest Account an amount equal to:

(1) if any Interest Smoothing Amount was transferred to the Interest Smoothing Account on the immediately prior Determination Date in respect of an Interest Smoothing Obligation with a Payment Frequency greater than three and less than or equal to six, an amount equal to such Interest Smoothing Amount;

(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 and less than or equal to nine, 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, an amount equal to such Interest Smoothing Amount divided by three.

4. Security

(a) Security

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes of each Class and each Transaction Document are secured in favour of the Trustee for the benefit of the Secured Parties by:

(i) an assignment by way of security of all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Portfolio Assets, Exchanged Securities, Eligible Investments standing to the credit of each of the Accounts and any other investments, in each case held by the Issuer from time to time where such rights are contractual rights (other than: (A) contractual rights the assignment of which would require the consent of a third party, (B) contractual rights the assignment of which would require the Trustee to enter into an intercreditor agreement or similar agreement or deed and (C) contractual rights that arise under

securities), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a charge over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Portfolio Assets, Exchanged Securities, Eligible Investments standing to the credit of each of the Accounts and any other investments, in each case held by the Issuer (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(iii) a charge over all present and future rights of the Issuer in respect of each of the 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) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Collateral Administration and Agency Agreement (to the extent it relates to the Custody Account) and a charge over all of the Issuer's present and future rights, title and interest in and to the Custody Account (including each cash account relating to the Custody Account) and any cash held therein and the debts represented thereby;

(v) a 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);

(vi) an assignment by way of security of all the Issuer's present and future rights under the Investment Management Agreement and all sums derived therefrom;

(vii) an assignment by way of security of all of the Issuer's present and future rights under each other Transaction Documents and all sums derived therefrom; and

(viii) 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 (viii) above, (A) the Issuer's rights under the Administration Agreement; and (B) amounts standing to the credit of the Issuer Irish Account.

If, for any reason, the purported assignment by way of security of, and/or the grant of charge over, the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Collateral**"), the Issuer shall hold the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together, the "**Trust Collateral**") on trust for the Trustee for the benefit of the Secured Parties and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (**provided that**, subject to the Conditions and the terms of the Investment Management Agreement, if no Note Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

All deeds, documents, assignments, instruments, bonds, notes, negotiable instruments, papers and any other instruments comprising, evidencing, representing and/or transferring the Portfolio will be deposited with or held by or on behalf of the Custodian until the security over such obligations is irrevocably discharged in accordance with the provisions of the Trust Deed.

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody

by the Custodian, a bank or other custodian. The Trustee has no responsibility for ensuring 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 Investment Manager or to supervise the administration of the Portfolio by the Collateral Administrator or for the performance by any other party of its obligations under the Transaction Documents and is entitled to rely on the written certificates or written notices of any relevant party without further enquiry or liability. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect. The Trustee has no responsibility for the value, sufficiency, adequacy or enforceability of the Collateral or the security conferred in respect thereof.

Pursuant to the Euroclear Pledge Agreement, the Issuer shall, on or about the Issue Date, create in favour of the Trustee on behalf of the Secured Parties, a Belgian law pledge over the Portfolio Assets, Exchanged Securities, Eligible Investments and other similar securities from time to time held by the Custodian on behalf of the Issuer in Euroclear (the "**Euroclear Collateral**") and transfer by way of security (*transfer de propriété à titre de garantie/eigendomsverdracht ten titel van- zekerheid*) any amounts received in respect of Euroclear Collateral, whether by way of interest, principal, premium, dividend, return of capital or otherwise, and whether in cash or in kind.

(b) Application of Proceeds upon Enforcement

The Trust Deed provides that the net proceeds of realisation of, or enforcement with respect to the security over the Collateral constituted by the Trust Deed and the Euroclear Pledge Agreement shall (except as otherwise specified) be applied in accordance with the Acceleration Priority of Payments set out in Condition 10(c) (*Acceleration Priority of Payments*).

(c) Limited Recourse

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payment. If the net proceeds of realisation of the security constituted by the Trust Deed and the Euroclear Pledge Agreement, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Secured Parties (such negative amount being referred to herein as a "**Shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Secured Parties in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payment. In such circumstances, the other assets (including the Issuer Irish Account and amounts standing to the credit thereof and the Issuer's rights under the Administration Agreement) of the Issuer will not be available for payment of such shortfall which shall be borne by the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders and the other Secured Parties in accordance with the Priorities of Payment (applied in reverse order). The rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders of each Class or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders of any Class, the Trustee or the other Secured Parties (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer or its Directors, officers, successors or assigns, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, winding up, examinership or liquidation proceedings or other proceedings under any applicable bankruptcy or similar laws in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed and the Euroclear Pledge Agreement (including by appointing a receiver or an administrative receiver).

Save to the extent to which any shareholder, officer, agent, employee or director of the Issuer commits fraud or engages in any wilful misconduct in connection with any Transaction Document, no recourse

under any obligation, covenant or agreement of the Issuer contained in any Transaction Document may be sought by any of the Secured Parties, or their Affiliates, against any shareholder, officer, agent, employee or director of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the Transaction Documents are corporate obligations of the Issuer. No personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in any Transaction Document or implied therefrom, save to the extent to which any shareholder, officer, agent, employee or director commits fraud or engages in any wilful misconduct in connection with any Transaction Document, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Issuer of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is expressly waived by each of the Secured Parties, save to the extent to which any such shareholder, officer, agent, employee or director commits fraud or engages in any wilful misconduct in connection with any Transaction Document.

None of the Trustee, the Arranger, the Retention Holder, the Directors, the Initial Purchaser, the Investment Manager, the Collateral Administrator, the Co-Arranger nor any Agent has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) Exercise of Rights in Respect of the Portfolio

Pursuant to the Investment Management Agreement, the Issuer authorises the Investment Manager, prior to enforcement of the security over the Collateral, to exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Investment Manager is authorised, subject to any specific direction given by the Issuer, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any obligations forming part of the Portfolio.

(e) Information Regarding the Collateral

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is posted on a secured website at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Arranger, the Co-Arranger, the Initial Purchaser, and the Noteholders from time to time) and such reports are made available on such website to the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Arranger, the Co-Arranger, the Initial Purchaser, the Retention Holder, 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).

5. Issuer Representations, Warranties and Covenants

The Trust Deed contains, *inter alia*, representations, warranties and covenants in favour of the Trustee which, *inter alia*, require the Issuer to comply with its obligations under the Transaction Documents and restrict the ability of the Issuer to create or incur any indebtedness (other than as permitted under the Trust Deed), to dispose of assets, change the nature of its business or to take or fail to take any action which may adversely affect the priority or enforceability of the security interest in the Collateral.

6. Interest

(a) Payment Dates

(i) Rated Notes

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes each bear interest from (and including) the Issue Date (or in the case of any Notes issued in connection with the Refinancing of any such Class of Notes, the relevant date of

the Refinancing) and such interest will be payable quarterly at any time prior to the occurrence of a Frequency Switch Event and thereafter, semi annually (or, in the case of interest accrued during the initial Interest Period, for the period from (and including) the Issue Date to (but excluding) the Payment Date falling in October 2016) in arrear on each Payment Date.

(ii) Subordinated Notes

Interest shall be payable on the Subordinated Notes to the extent funds are available in accordance with the relevant Priorities of Payment on each Payment Date and shall continue to be payable in accordance with this Condition notwithstanding redemption in full of any Subordinated Note at its applicable Redemption Price until there are no further amounts available to be distributed to the holders of the Subordinated Notes in accordance with the Priorities of Payment.

Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of €1 principal amount of each Subordinated Note remains outstanding at all times and any amounts which are to be applied in redemption of any Subordinated Notes which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute interest payable in respect of such Subordinated Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, **provided always however that** such €1 principal shall no longer remain Outstanding and the Subordinated Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

(b) Interest Accrual

(i) Rated Notes

Each Rated Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition (both before and after judgement) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Trustee or the Principal Paying Agent, as applicable, has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) Subordinated Notes

Payments on the Subordinated Notes will cease to be payable in respect of each Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds remain available for distribution in accordance with the Priorities of Payment.

(c) Deferral of Interest

The Issuer shall only be obliged to pay any Interest Amount payable in respect of the Class C Notes in full on any Payment Date to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment. An amount of interest equal to any shortfall in payment of the Interest Amount that would otherwise be due and payable in respect of any such Class C Note on any Payment Date (each such amount being referred to as "**Class C Deferred Interest**") shall be deferred and shall, with effect from and including such Payment Date, be added to the Principal Amount Outstanding of the Class C Notes and the principal amount of each such Note shall be increased by the amount of its *pro rata* share of such Class C Deferred Interest, which shall itself bear interest in accordance with these Conditions from such date. The failure to pay Class C Deferred Interest to the holders of such Notes will not be a Note Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes.

The Issuer shall only be obliged to pay any Interest Amount payable in respect of the Class D Notes in full on any Payment Date to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment. An amount of interest equal to any shortfall in payment of the Interest Amount that would otherwise be due and payable in respect of any

such Class D Note on any Payment Date (each such amount being referred to as "**Class D Deferred Interest**") shall be deferred and shall, with effect from and including such Payment Date, be added to the Principal Amount Outstanding of the Class D Notes and the principal amount of each such Note shall be increased by the amount of its *pro rata* share of such Class D Deferred Interest, which shall itself bear interest in accordance with these Conditions from such date. The failure to pay Class D Deferred Interest to the holders of such Notes will not be a Note Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes.

The Issuer shall only be obliged to pay any Interest Amount payable in respect of the Class E Notes in full on any Payment Date to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment. An amount of interest equal to any shortfall in payment of the Interest Amount that would otherwise be due and payable in respect of any such Class E Note on any Payment Date (each such amount being referred to as "**Class E Deferred Interest**") shall be deferred and shall, with effect from and including such Payment Date, be added to the Principal Amount Outstanding of the Class E Notes and the principal amount of each such Note shall be increased by the amount of its *pro rata* share of such Class E Deferred Interest, which shall itself bear interest in accordance with these Conditions from such date. The failure to pay Class E Deferred Interest to the holders of such Notes will not be a Note Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes.

The Issuer shall only be obliged to pay any Interest Amount payable in respect of the Class F Notes in full on any Payment Date to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment. An amount of interest equal to any shortfall in payment of the Interest Amount that would otherwise be due and payable in respect of any such Class F Note on any Payment Date (each such amount being referred to as "**Class F Deferred Interest**") shall be deferred and shall, with effect from and including such Payment Date, be added to the Principal Amount Outstanding of the Class F Notes and the principal amount of each such Note shall be increased by the amount of its *pro rata* share of such Class F Deferred Interest, which shall itself bear interest in accordance with these Conditions from such date. The failure to pay Class F Deferred Interest to the holders of such Notes will not be a Note Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes.

(d) Payment of Deferred Interest

Deferred Interest shall only become payable by the Issuer to the extent that Interest Proceeds, Principal Proceeds or the proceeds of the enforcement of security over the Collateral are available to make such payment in accordance with the Priorities of Payment.

(e) Interest on the Rated Notes

(i) Floating Rate of Interest

The rate of interest from time to time in respect of the Class A Notes (the "**Class A Floating Rate of Interest**"), in respect of the Class B Notes (the "**Class B Floating Rate of Interest**"), in respect of the Class C Notes (the "**Class C Floating Rate of Interest**"), in respect of the Class D Notes (the "**Class D Floating Rate of Interest**"), in respect of the Class E Notes (the "**Class E Floating Rate of Interest**") and in respect of the Class F Notes (the "**Class F Floating Rate of Interest**") (and each a "**Floating Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(A) On each Interest Determination Date, the Calculation Agent will determine:

(1) in the case of an Interest Period prior to the occurrence of a Frequency Switch Event, the offered rate for three month Euro deposits;

(2) in the case of an Interest Period following the occurrence of a Frequency Switch Event, (i) the offered rate for six month Euro deposits, or (ii) if such Interest Determination Date falls in July 2025, the offered rate for three month Euro deposits, **provided that** if a Frequency Switch Event occurs on a date which is not a Payment Date, the Calculation Agent will determine the offered rate for six month Euro deposits or three month Euro deposits, as the case may be, as at the Interest Determination Date immediately prior to

such Frequency Switch Event for the Interest Period in which the Frequency Switch Event occurs; and

(3) in the case of the initial Interest Period, the offered rate for six month Euro deposits,

in each case as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question. Such offered rate will be that which appears on the display designated as Reuters EURIBOR01 (or such other page or service as may replace it for the purpose of displaying three month EURIBOR). The Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest for such Interest Period shall be the aggregate of the Applicable Margin and the rate which so appears, all as determined by the Calculation Agent.

(B) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks (selected by the Investment Manager) in the Euro zone interbank market acting in each case through its principal Euro zone office (the "**Reference Banks**") to provide the Calculation Agent with its offered quotation to leading banks for Euro deposits in the Euro zone interbank market:

(1) in the case of the initial Interest Period, for a period of six months;

(2) in the case of an Interest Period prior to the occurrence of a Frequency Switch Event, for a period of three months; and

(3) in the case of an Interest Period following the occurrence of a Frequency Switch Event, (i) for a period of six months, or (ii) if such Interest Determination Date falls in July 2025, for a period of three months, **provided that** (x) if a Frequency Switch Event occurs on a date which is not a Payment Date, the Calculation Agent will determine the offered rate for six month Euro deposits or three month Euro deposits, as the case may be, as at the Interest Determination Date immediately prior to such Frequency Switch Event for the Interest Period in which the Frequency Switch Event occurs,

in each case, as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question. The Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest for such Interest Period shall be the aggregate of the Applicable Margin and the arithmetic mean, in each case, (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of such quotations (or of such of them, being at least two, as are so provided), all as determined by the Calculation Agent.

(C) If on any Interest Determination Date one only or none of the Reference Banks provides such quotation, the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest, respectively, for the next Interest Period shall be the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, 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 Interest Period.

(D) Where:

"**Applicable Margin**" means:

(1) in the case of the Class A Notes: 1.43 per cent. per annum (the "**Class A Margin**");

(2) in the case of the Class B Notes: 2.15 per cent. per annum (the "**Class B Margin**");

(3) in the case of the Class C Notes: 3.25 per cent. per annum (the "**Class C Margin**");

(4) in the case of the Class D Notes: 5.00 per cent. per annum (the "**Class D Margin**");

(5) in the case of the Class E Notes: 7.50 per cent. per annum (the "**Class E Margin**"); and

(6) in the case of the Class F Notes: 8.75 per cent. per annum (the "**Class F Margin**"),

subject to (x) any Refinancing, when the Applicable Margin will be as notified to Noteholders pursuant to Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*) and (y) any Re-Pricing, when the Applicable Margin will be as notified to Noteholders pursuant to Condition 6(j) (*Optional Re-Pricing*).

(E) Notwithstanding paragraphs (A) and (B) above, if, in relation to any Interest Determination Date, EURIBOR (or any other benchmark rate that may apply under this Condition 6(e)(i) (*Floating Rate of Interest*)) in respect of any Class of Rated Notes as determined in accordance with paragraphs (A) and (B) above would yield a rate less than zero, EURIBOR (or such other benchmark rate) shall be deemed to be zero for the purposes of determining the Floating Rates of Interest pursuant to this Condition 6(e)(i) (*Floating Rate of Interest*).

(ii) Determination of Floating Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each Interest Determination Date, but in no event later than the second Business Day after such date, determine the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest and calculate the interest amount payable in respect of each of the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes for the relevant Interest Period. The amount of interest (an "**Interest Amount**") payable in respect of such Notes shall be calculated by applying the Class A Floating Rate of Interest in the case of the Class A Notes, the Class B Floating Rate of Interest in the case of the Class B Notes, the Class C Floating Rate of Interest in the case of the Class C Notes, the Class D Floating Rate of Interest in the case of the Class D Notes, the Class E Floating Rate of Interest in the case of the Class E Notes and the Class F Floating Rate of Interest in the case of the Class F Notes, respectively, to the Principal Amount Outstanding of such Note, multiplying the product by the actual number of days in the Interest Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

(iii) Reference Banks and Calculation Agent

The Issuer will procure that, so long as any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Note remains Outstanding:

(A) a Calculation Agent shall be appointed and maintained for the purposes of determining the interest rate and interest amount payable in respect of the Notes; and

(B) in the event that the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (B) of Condition 6(e)(i) (*Floating Rate of Interest*), that the number of Reference Banks required pursuant to such paragraph (B) of Condition 6(e)(i) (*Floating Rate of Interest*) are appointed.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any Floating Rate of Interest for any Interest Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer (or the Investment Manager (acting on behalf of the Issuer)) shall (with the prior written approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(f) Interest Proceeds in respect of Subordinated Notes

The Collateral Administrator will on each Determination Date calculate the Interest Proceeds and Principal Proceeds payable in respect of an original principal amount of Subordinated Notes equal to the Minimum Denomination and Authorised Integral Amount applicable thereto for the relevant Interest Period. The Interest Proceeds and Principal Proceeds payable on each Payment Date in respect of an original principal amount of Subordinated Notes equal to the Minimum Denomination and Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds to be applied on the applicable Payment Date pursuant to the Interest Priority of Payments and the amount of Principal Proceeds to be applied as interest on the applicable Payment Date pursuant to the Principal Priority of Payments by fractions equal to the amount of such Minimum Denomination or Authorised Integral Amount, as applicable, divided by the aggregate original principal amount of the Subordinated Notes.

(g) Publication of Floating Rates of Interest, Interest Amounts and Deferred Interest

The Calculation Agent (on behalf of the Issuer) will cause the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest and the Interest Amounts payable in respect of each Class of Rated Notes, the amount of any Deferred Interest due but not paid on any Class C Notes, Class D Notes, Class E Notes or Class F Notes for each Interest Period and Payment Date and the Principal Amount Outstanding of each Class of Notes as of the applicable Payment Date to be notified to the Registrar, the Principal Paying Agent, the Paying Agents, the Trustee and the Investment Manager and for so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange, the Irish Stock Exchange as soon as possible after their determination but in no event later than the fourth Business Day thereafter, and the Principal Paying Agent shall cause each such rate, amount and date to be notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Principal Paying Agent but in no event later than the third Business Day after such notification. The Interest Amounts in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Payment Date in respect of any Class of Notes so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If any of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent, or the Collateral Administrator, as the case may be, in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) Determination or Calculation by Trustee

If the Calculation Agent does not at any time for any reason so calculate the Class A Floating Rate of Interest, the Class B Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest or the Class F Floating Rate of Interest for an Interest Period, the Trustee (or an Appointee) at the cost of the Issuer 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 Appointee shall apply the foregoing provisions of this Condition 6 (*Interest*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and reliance on such persons as it has appointed for such purpose. The Trustee or such Appointee shall have no liability to any person in connection with any determination or calculation (including with regard to the timelines thereof) it may, or is required to, make pursuant to this Condition 6(h) (*Determination or Calculation by Trustee*).

(i) Notifications, etc. to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 (*Interest*), whether by the Reference Banks (or any of them), the Calculation Agent, the Collateral Administrator 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 Collateral Administrator, the Transfer Agent and all Noteholders and (in the absence of fraud, negligence or wilful default) no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Calculation Agent, the

Collateral Administrator or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition 6(i) (*Notifications, etc. to be Final*).

(j) Optional Re-Pricing

(i) Re-Pricing

On any Business Day on or after the expiration of the Non-Call Period, at the direction of (i) the Investment Manager with the consent of the Subordinated Noteholders (acting by way of Ordinary Resolution) or (ii) the Subordinated Noteholders (acting by way of Ordinary Resolution) with the consent of the Investment Manager, the Issuer shall reduce the Applicable Margin with respect to any Class of Rated Notes (such reduction, a "**Re-Pricing**" and any Class of Rated Notes subject to a Re-Pricing, a "**Re-Priced Class**"); **provided that** the Issuer shall not effect any Re-Pricing unless each condition specified in this Condition 6(j) (*Optional Re-Pricing*) is satisfied with respect thereto. In connection with any Re-Pricing, the Investment Manager on behalf of the Issuer may engage a broker-dealer (the "**Re-Pricing Intermediary**"), such Re-Pricing Intermediary to have been approved by the Subordinated Noteholders who have approved the Re-Pricing, to assist the Issuer in effecting the Re-Pricing.

(ii) Delivery of Proposed Re-Pricing Notice

At least 20 Business Days prior to the Business Day on which a Re-Pricing is to be effected (the "**Re-Pricing Date**"), the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall give notice (a "**Notice of Proposed Re-Pricing**") in accordance with Condition 16 (*Notices*) to each Noteholder of the Re-Priced Class (with a copy to the Investment Manager, the Trustee and each Rating Agency), which notice shall:

(A) specify: (1) the Re-Pricing Date; (2) the Applicable Margin to be applied with respect to such Re-Priced Class (the "**Re-Pricing Rate**") (in the case of (1) and (2), proposed by the Investment Manager or the Subordinated Noteholders (acting by way of Ordinary Resolution), as the case may be); and (3) the Redemption Price at which the Rated Notes of such Re-Priced Class held by any Non-Consenting Holder may be sold and transferred pursuant to Condition 6(j)(iv) (*Offer of Non-Consenting Notes*); and

(B) request each Noteholder of the Re-Priced Class to give notice (such notice, an "**Exercise Notice**") in writing to the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer (with a copy to the Trustee), within 10 Business Days of the date of the Notice of Proposed Re-Pricing of: (1) its consent to maintaining the Principal Amount Outstanding of the Rated Notes of the Re-Priced Class held by it at the Re-Pricing Rate (such Principal Amount Outstanding, the "**Consent Principal Amount Outstanding**"); and (2) the Principal Amount Outstanding of any Rated Notes of the Re-Priced Class it offers to acquire from any Non-Consenting Holder at the Re-Pricing Rate (such Principal Amount Outstanding, the "**Offer Principal Amount Outstanding**", and the sum of the Consent Principal Amount Outstanding and the Offer Principal Amount Outstanding, in each case, in respect of a Consenting Holder, the "**Total Proposed Holding**" of such Consenting Holder). An Exercise Notice shall be final and binding on each Noteholder (unless the Re-Pricing is not effected, in which case the Exercise Notice shall cease to have effect from the day following the Re-Pricing Date).

(iii) Conditions to Re-Pricing

The Issuer shall not effect any proposed Re-Pricing unless:

(A) the Trustee shall have entered into a supplemental trust deed dated the Re-Pricing Date (such supplemental trust deed to be prepared and provided by the Issuer, or the Investment Manager, acting on behalf of the Issuer) to modify the Applicable Margin of the Re-Priced Class as set out in the related Re-Pricing Notice (which supplemental trust deed all Noteholders irrevocably authorise and instruct the Trustee to enter into and which the Trustee shall enter into without further sanction of the Noteholders or the other Secured Parties);

(B) the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, has certified to the Trustee in writing (upon which certificate the Trustee shall rely absolutely and without enquiry or liability) not later than 5 Business Days prior to the Re-Pricing Date that (x) the Issuer has

received Exercise Notices to effect the purchase on the Re-Pricing Date of all Rated Notes of the Re-Priced Class held by any Non-Consenting Holders pursuant to Condition 6(j)(iv) (*Offer of Non-Consenting Notes*), and (y) all anticipated expenses incurred in connection with such Re-Pricing, including those of the Issuer, the Collateral Administrator, the Investment Manager, the Trustee and the Re-Pricing Intermediary and their respective counsel, shall not exceed the amount of Interest Proceeds available after taking into account all amounts required to be paid pursuant to the Priorities of Payment on the subsequent Payment Date prior to distributions to the Subordinated Noteholders, unless such expenses shall have been otherwise paid or adequately provided for; and

(C) each Rating Agency shall have been notified of such Re-Pricing.

(iv) Offer of Non-Consenting Notes

(A) In the event the Issuer receives Exercise Notices from Consenting Holders with respect to more than the Principal Amount Outstanding of the Rated Notes of the Re-Priced Class, the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall cause the sale and transfer of the Rated Notes of the Re-Priced Class held by any Non-Consenting Holders, without further notice to any Non-Consenting Holders, on the Re-Pricing Date to the Consenting Holders, such that after such sale and transfer each Consenting Holder holds a Principal Amount Outstanding of the Rated Notes of the Re-Priced Class equal to the lesser of (x) the Total Proposed Holding of such Consenting Holder and (y) a *pro rata* allocation of the Principal Amount Outstanding of the Rated Notes of the Re-Priced Class held by all Non-Consenting Holders based on the aggregate Total Proposed Holding of all Consenting Holders.

(B) In the event the Issuer receives Exercise Notices from Consenting Holders with respect to less than the Principal Amount Outstanding of the Rated Notes of the Re-Priced Class, the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall cause the sale and transfer of the Rated Notes of the Re-Priced Class held by any Non-Consenting Holders, without further notice to any Non-Consenting Holders, on the Re-Pricing Date (1) to each Consenting Holder, in an amount equal to the Offer Principal Amount Outstanding of such Consenting Holder, and (2) to one or more transferees designated by the Re-Pricing Intermediary on behalf of the Issuer, as to the balance.

(C) All sales and transfers of Rated Notes to be effected pursuant to this Condition 6(j)(iii) (*Offer of Non-Consenting Notes*) shall be made at the Redemption Price with respect to such Rated Notes. Any *pro rata* allocation made pursuant to Condition 6(j)(iv)(A)(y) (*Offer of Non-Consenting Notes*) shall be made subject to applicable minimum denomination requirements.

(v) Notifications

(A) At least 5 Business Days prior to the Re-Pricing Date, the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall give notice (a "**Re-Pricing Notice**") in accordance with Condition 16 (*Notices*) to each Noteholder of the Re-Priced Class (with a copy to the Investment Manager, the Trustee and each Rating Agency), which notice shall specify the Re-Pricing Date, the Re-Pricing Rate and the Principal Amount Outstanding of the Rated Notes of the Re-Priced Class to be allocated to the Consenting Holders following the Re-Pricing Date, as determined in accordance with Condition 6(j)(iv) (*Offer of Non-Consenting Notes*).

(B) Any Notice of Proposed Re-Pricing or Re-Pricing Notice may be withdrawn for any reason by (i) the Investment Manager or (ii) the Subordinated Noteholders (acting by way of Ordinary Resolution), on or prior to the second Business Day prior to the Re-Pricing Date by written notice to the Issuer, the Trustee and the Investment Manager and no Re-Pricing shall occur.

(C) Failure to give a Notice of Proposed Re-Pricing or a Re-Pricing Notice to any Noteholder, or any defect therein, shall not impair or affect the validity of the Re-Pricing or give rise to any claim based upon such failure or defect.

(D) If a proposed Re-Pricing is not effected by the Re-Pricing Date, the Issuer shall give notice in accordance with Condition 16 (*Notices*) to each Noteholder of the proposed Re-Priced Class

(with a copy to the Investment Manager, the Trustee and each Rating Agency) that the proposed Re-Pricing was not effected.

(E) If a Re-Pricing is effected, the Issuer shall give notice in accordance with Condition 16 (*Notices*) to the Noteholders (with a copy to the Investment Manager, the Trustee and each Rating Agency) confirming that the Re-Pricing was so effected.

7. Redemption and Purchase

(a) Final Redemption

Save to the extent previously redeemed in full and cancelled, the Notes of each Class will be redeemed on the Maturity Date of such Notes. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Notes will be redeemed at their Redemption Price in accordance with the Priorities of Payment. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) Optional Redemption

(i) Redemption at Option of the Subordinated Noteholders

Subject to the provisions of Condition 7(b)(v) (*Terms and Conditions of an Optional Redemption*), Condition 7(b)(vi) (Optional Redemption effected in whole or in part through Refinancing) and Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*), the Notes may be redeemed in whole but not in part by the Issuer from Available Proceeds (which may include without limitation Refinancing Proceeds) on any Call Date at the option of the Subordinated Noteholders acting by Ordinary Resolution and following delivery to the Issuer of duly completed Redemption Notices.

(ii) Optional Redemption by Refinancing

Subject to the provisions of Condition 7(b)(v) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*), the Rated Notes may be redeemed in whole or in part by the Issuer by the redemption in whole of one or more Classes of Rated Notes solely from Refinancing Proceeds on any Call Date at the option of the Subordinated Noteholders acting by Ordinary Resolution and following delivery to the Issuer of duly completed Redemption Notices.

(iii) Optional Redemption upon the occurrence of a Collateral Tax Event

Subject to the provisions of Condition 7(b)(v) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*), the Notes may be redeemed in whole but not in part by the Issuer from Available Proceeds on any Payment Date upon the occurrence of a Collateral Tax Event at the option of the Subordinated Noteholders acting by Ordinary Resolution and following delivery to the Issuer of duly completed Redemption Notices.

(iv) Optional Redemption of Subordinated Notes

Subject to the provisions of Condition 7(b)(v) (*Terms and Conditions of an Optional Redemption)* and Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*), the Subordinated Notes may be redeemed in whole but not in part by the Issuer on any Business Day occurring after the expiry of the Non-Call Period on or after the Payment Date on which the redemption or repayment in full of the Rated Notes occurs, at the direction of the Subordinated Noteholders acting by Ordinary Resolution.

(v) Terms and Conditions of an Optional Redemption

In connection with any Optional Redemption:

(A) the Issuer shall procure that at least 10 Business Days' prior written notice of an Optional Redemption, including the applicable Redemption Date, and the relevant Redemption Price

therefor, is given to the Trustee, the Principal Paying Agent (which will in turn notify each of Euroclear and Clearstream, Luxembourg) and the Noteholders in accordance with Condition 16 (*Notices*);

(B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices, subject, in the case of an Optional Redemption of the Notes in whole, to the right of holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes. Such right shall be exercised by delivery by each holder of the relevant Class of Rated Notes of a written direction confirming such holder's election to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to it, together with evidence of their holding to the Issuer, the Principal Paying Agent and the Investment Manager no later than five Business Days (or such shorter period of time as may be agreed by the Trustee and the Investment Manager, acting reasonably) prior to the relevant Redemption Date;

(C) neither the holders of the Rated Notes nor the Investment Manager shall have the right or other ability to prevent an Optional Redemption directed by the Subordinated Noteholders in accordance with this Condition 7(b) (*Optional Redemption*); and

(D) any such redemption must comply with the procedures set out in Condition 7(b)(viii) (*Mechanics of Redemption*).

(vi) Optional Redemption effected in whole or in part through Refinancing

Following receipt of, or as the case may be, confirmation from the Issuer or the Principal Paying Agent of receipt of, a direction in writing from the Subordinated Noteholders (acting by Ordinary Resolution), in each case to exercise any right of optional redemption pursuant to Condition 7(b)(i) (*Redemption at Option of the Subordinated Noteholders*) or Condition 7(b)(ii) (*Optional Redemption by Refinancing*), the Issuer shall in the case of a redemption in whole of all Classes of Rated Notes or in the case of a redemption of an entire Class of Rated Notes, issue replacement notes (each, a "**Refinancing Note**" and, together "**Refinancing Notes**"), whose terms in each case will be identical to the terms of such Class or Classes of Rated Notes being refinanced and redeemed other than as specified below (any such refinancing, a "**Refinancing**"). The disclosure of the identity of any financial institutions acting as purchasers thereunder is subject to the prior written consent of the Investment Manager and a direction in writing from the Subordinated Noteholders (acting by Ordinary Resolution).

Refinancing Proceeds may be applied in addition to (or in place of) other Available Proceeds in the redemption of the Rated Notes in whole pursuant to Condition 7(b)(i) (*Redemption at Option of the Subordinated Noteholders*). Refinancing Proceeds shall be applied in the redemption of the Rated Notes in whole or in part pursuant to Condition 7(b)(ii) (*Optional Redemption by Refinancing*).

A Refinancing will be effective only if:

(A) the Issuer provides prior written notice thereof to the Rating Agencies;

(B) all terms and conditions (save for the relevant issue date, the initial interest accrual period, the first payment date and the Applicable Margin) of each Class of Refinancing Notes are identical to the terms and conditions of the Class or Classes of Rated Notes being redeemed with the Refinancing Proceeds;

(C) any redemption of a Class or Classes of Rated Notes is a redemption in whole of the entire Class or Classes of Rated Notes being refinanced and redeemed;

(D) the sum of (x) the Refinancing Proceeds and any amount standing to the credit of the Refinancing Account to cover Refinancing Costs, (y) the amount of Interest Proceeds standing to the credit of the Interest Account applied in accordance with the Interest Priority of Payments and (z) solely in the case of a redemption in whole of the Rated Notes pursuant to Condition 7(b)(i) (*Redemption at Option of the Subordinated Noteholders*) other Available Proceeds (if any), will be at least sufficient to pay in full:

(1) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes which are the subject of the Refinancing;

(2) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing in addition to any other fees, costs and expenses payable in connection with such Refinancing;

(3) all amounts ranking *pari passu* with or senior to any amounts payable in respect of Rated Notes subject to the Refinancing; and

(4) the fees and expenses for the rating by each Rating Agency of the Refinancing Notes;

(E) the Refinancing Proceeds and (solely in the case of a redemption in whole of the Rated Notes pursuant to Condition 7(b)(i) (*Redemption at Option of the Subordinated Noteholders*)) other Available Proceeds are used (to the extent necessary) to make such redemption;

(F) 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;

(G) the aggregate principal amount of each Class of Refinancing Notes is equal to the aggregate Principal Amount Outstanding of the corresponding Class of Rated Notes being redeemed with Refinancing Proceeds;

(H) the Applicable Margin of each Class of Refinancing Notes will not be greater than the Applicable Margin of the corresponding Class of Rated Notes being redeemed with Refinancing Proceeds;

(I) payments in respect of the Refinancing Notes are subject to the Priorities of Payment and rank at the same priority pursuant to the Priorities of Payment as the relevant Class or Classes of Rated Notes being redeemed with Refinancing Proceeds;

(J) all Refinancing Proceeds and (solely in the case of a redemption in whole of the Rated Notes pursuant to Condition 7(b)(i) (*Redemption at Option of the Subordinated Noteholders*)) other Available Proceeds are received by (or on behalf of) the Issuer into the Refinancing Account prior to the applicable Redemption Date;

(K) the following conditions are satisfied:

(1) so long as the existing Notes of the Class being refinanced are listed on the Global Exchange Market, the Refinancing Notes to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the Global Exchange Market (for so long as the rules of the Irish Stock Exchange so require);

(2) such issuances of Refinancing Notes are in accordance with all applicable laws; and

(L) the Issuer has notified the Noteholders of the new Applicable Margin of the Refinancing Notes in accordance with Condition 16 (*Notices*),

in each case, as certified to the Issuer and the Trustee by the Investment Manager (upon which certification the Issuer and the Trustee shall be entitled to rely without further enquiry and without any liability for so relying).

If any of the conditions specified in this Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*) are not satisfied, the Issuer shall cancel the relevant redemption of the Notes and shall give written notice of such cancellation to the Trustee, the Investment Manager and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Investment Manager, the Collateral Administrator, the Trustee and any Agent shall be liable to any party, including the Subordinated Noteholders, for any failure to effect a Refinancing or for the terms or sufficiency or legality of any Refinancing.

(vii) Optional Redemption effected through Liquidation only

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Principal Paying Agent of receipt of (i) a direction in writing from the Subordinated Noteholders acting by Ordinary Resolution to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or (ii) a direction in writing from the Controlling Class acting by Extraordinary Resolution to exercise any right of optional redemption pursuant to Condition 7(e) (*Redemption following Note Tax Event*), in either case to be effected solely through the liquidation or realisation of the Collateral, the Collateral Administrator shall, as soon as practicable, and in any event not later than (x) two Business Days following written request therefor by the Investment Manager and (y) in the absence of any request described in the foregoing clause (x), five Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount.

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio unless:

(A) at least five Business Days before the scheduled Redemption Date the Investment Manager shall have certified to the Trustee in writing (upon which certificate the Trustee shall be entitled to rely without further enquiry and without any liability for so relying) that the Investment Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions (which either (x) has a long-term issuer credit rating of at least "A" by S&P provided that it has a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such a short-term issuer credit rating, a long-term issuer credit rating of at least "A+" by S&P or (y) in respect of which Rating Agency Confirmation from S&P has been obtained) to purchase (directly or by participation or other arrangement) from the Issuer, not later than two Business Days immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Portfolio at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date, to meet the Redemption Threshold Amount; or

(B) (i) prior to the Investment Manager on behalf of the Issuer entering into any agreement to sell any Portfolio Assets and/or Eligible Investments, the Investment Manager certifies to the Trustee in writing (upon which certificate the Trustee shall be entitled to rely without further enquiry and without any liability for so relying) that, in its judgement, the aggregate sum of (A) expected proceeds from the sale of Eligible Investments, and (B) for each Portfolio Asset, the product of its Principal Balance and its Market Value, shall be at least sufficient to meet the Redemption Threshold Amount; and (ii) at least two Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient to meet the Redemption Threshold Amount.

Prior to the scheduled Redemption Date, the Collateral Administrator shall give notice to the Investment Manager in writing of the amount of all expenses incurred by the Issuer up to and including the scheduled Redemption Date in effecting such liquidation.

Any certification delivered by the Investment Manager pursuant to this Condition must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Portfolio Assets and/or Eligible Investments and (2) all calculations required by this Condition 7(b) (*Optional Redemption*). If the Investment Manager does not negotiate the private sale of the Portfolio Assets but instead bidders for the Portfolio Assets are generally solicited, any Noteholder, the Investment Manager or any of the Investment Manager's Affiliates shall have the right, subject to the same terms and conditions afforded to such bidders, to bid on and purchase Portfolio Assets to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*).

If neither paragraph (A) nor (B) of this Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*) is satisfied, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Investment Manager and the Noteholders in accordance with Condition 16 (*Notices*).

(viii) Mechanics of Redemption

Following calculation by the Collateral Administrator of the relevant Redemption Threshold Amount, if applicable, the Collateral Administrator shall make such other calculations as it is required to make pursuant to the Collateral Administration and Agency Agreement and shall notify the Issuer, the Trustee, the Investment Manager, the Principal Paying Agent and the Noteholders (in accordance with Condition 16 (*Notices*)).

Any exercise of a right of redemption by the Subordinated Noteholders or by the Controlling Class pursuant to this Condition 7 (*Redemption and Purchase*) shall be effected by delivery to the Principal Paying Agent of (x) the requisite amount of Subordinated Notes or (y) the requisite amount of Notes from the Noteholders comprising the Controlling Class together with duly completed Redemption Notices (if applicable) not less than 30 Business Days, or such shorter period of time as the Principal Paying Agent and the Investment Manager find reasonably acceptable, prior to the proposed Redemption Date. Redemption Notices and Subordinated Notes so delivered may be withdrawn by the Subordinated Noteholders who delivered such Redemption Notices and Subordinated Notes by notice in writing to the Issuer, the Trustee, the Principal Paying Agent, the Collateral Administrator and the Investment Manager no later than 6 Business Days prior to the scheduled Redemption Date. No Redemption Notice and Subordinated Notes or Notes comprising the Controlling Class so delivered may otherwise be withdrawn without the prior consent of the Issuer. The Principal Paying Agent shall copy each Redemption Notice received to each of the Trustee, the Collateral Administrator, the Issuer and, if applicable, the Investment Manager.

The Investment Manager shall notify the Issuer, the Trustee, the Collateral Administrator, the Registrar and each Rating Agency in writing upon satisfaction of any of the conditions set out in this Condition 7 (*Redemption and Purchase*) and shall arrange for liquidation and/or realisation of the Portfolio in whole or in part as necessary, on behalf of the Issuer in accordance with the Investment Management Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for a redemption of the Notes in accordance with this Condition 7 (*Redemption and Purchase*) in the Payment Account or the Refinancing Account, as applicable, on or before the Business Day prior to the applicable Redemption Date. Principal Proceeds, Interest Proceeds and Sale Proceeds received in connection with a redemption of the Notes in whole shall be payable in accordance with the Acceleration Priority of Payments. Refinancing Proceeds shall be payable in accordance with Condition 3(j)(v) (*Refinancing Account*).

(c) Mandatory Redemption upon Breach of Coverage Tests

(i) Class A Notes and Class B Notes

If (a) the Class A/B Par Value Test is not met on any Determination Date falling after the Effective Date or (b) if the Class A/B Interest Coverage Test is not met on any Interest Coverage Test Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes and the Class B Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption, **provided that** the Class A/B Coverage Tests shall be deemed to be satisfied if the Class A Notes and the Class B Notes have been redeemed in full.

(ii) Class C Notes

If (a) the Class C Par Value Test is not met on any Determination Date falling after the Effective Date or (b) if the Class C Interest Coverage Test is not met on any Interest Coverage Test Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes and the Class C Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption, **provided that** the Class C Coverage Tests shall be deemed to be satisfied if the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full.

(iii) Class D Notes

If (a) the Class D Par Value Test is not met on any Determination Date falling after the Effective Date or (b) if the Class D Interest Coverage Test is not met on any Interest Coverage Test Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption, **provided that** the Class D Coverage Tests shall be deemed to be satisfied if the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full.

(iv) Class E Notes

If the Class E Par Value Test is not met on any Determination Date falling after the Effective Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until the Class E Par Value Test is satisfied if recalculated following such redemption, **provided that** the Class E Par Value Test shall be deemed to be satisfied if the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in full.

(v) Class F Notes

If the Class F Par Value Test is not met on any Determination Date falling after the Effective Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Rated Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until the Class F Par Value Test is satisfied if recalculated following such redemption, **provided that** the Class F Par Value Test shall be deemed to be satisfied if the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes have been redeemed in full.

(d) Redemption upon Effective Date Rating Event

In the event that, as at the second Business Day prior to the Payment Date following the Effective Date an Effective Date Rating Event has occurred and is continuing, Interest Proceeds and thereafter Principal Proceeds shall be applied in the redemption of the Rated Notes on such Payment Date and thereafter on each subsequent Payment Date (to the extent required) in accordance with the Note Payment Sequence, in each case until redeemed in full or, if earlier, until an Effective Date Rating Event is no longer continuing.

(e) Redemption following Note Tax Event

Upon the occurrence of a Note Tax Event, the Issuer shall, subject to and in accordance with the terms of the Trust Deed, use all reasonable efforts to change the territory in which it is resident for tax purposes to another jurisdiction which, at the time of such change, would not give rise to a Note Tax Event. Upon the earlier of (a) the date upon which the Issuer certifies (upon which certification the Trustee may rely without further enquiry and without liability) to the Trustee and notifies the Noteholders in accordance with Condition 16 (*Notices*) 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 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 Ordinary Resolution, may, subject to the provisions of Condition 7(b)(v) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vii) (*Optional Redemption effected through Liquidation only*), elect that the Notes of each Class are redeemed, in whole but not in part, on any Payment Date thereafter, at their respective Redemption Prices in accordance with the Note Payment Sequence, in which case the Issuer shall so redeem the Notes on such terms, **provided that** (i) such Note Tax Event would affect payment of principal or interest in respect of the Controlling Class or, as the case may be, the Subordinated Notes (in addition to any other Class of Notes) on such Payment Date; and (ii) such redemption of the Notes, whether pursuant to the exercise of such option by the Controlling Class or the Subordinated Noteholders, shall take place in accordance with the procedures set out in Condition 7(b)(viii) (*Mechanics of Redemption*).

(f) Special Redemption

Principal payments on the Notes shall be made in accordance with the Principal Priority of Payments at the discretion of the Investment Manager (acting on behalf of the Issuer), if at any time during the Reinvestment Period, the Investment Manager (acting on behalf of the Issuer) certifies (upon which certification the Trustee may rely without enquiry or liability) to the Trustee that, using commercially reasonable endeavours, it has been unable, for a period of 20 consecutive Business Days, to identify Substitute Portfolio Assets that are deemed appropriate by the Investment Manager in its sole discretion which meet the Eligibility Criteria and the Reinvestment Criteria, in sufficient amounts to permit the reinvestment of Unscheduled Principal Proceeds then in the Principal Account that are available to be invested in Substitute Portfolio Assets (a "**Special Redemption**"). On the first Payment Date following the Due Period in which such certification is given (a "**Special Redemption Date**"), the funds in the Principal Account representing Unscheduled Principal Proceeds which, using commercially reasonable endeavours, cannot be reinvested in Substitute Portfolio Assets by the Investment Manager (a "**Special Redemption Amount**") will be applied in accordance with paragraph (Q) of the Principal Priority of Payments. The exercise of a Special Redemption shall be at the sole and absolute discretion of the Investment Manager (acting on behalf of the Issuer) and the Investment Manager shall be under no obligation to, or have any responsibility to, any Noteholder or any other person for the exercise or non-exercise (as applicable) of such Special Redemption.

(g) Redemption from Principal Proceeds

The Issuer shall, on each Payment Date apply Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date in redemption of the Notes at their applicable Redemption Prices in accordance with the Priorities of Payment.

(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) Purchase

No purchase of Rated Notes by the Issuer may occur. Rated Notes may only be redeemed by the Issuer in accordance with this Condition 7 (*Redemption and Purchase*).

(j) Cancellation

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold. No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for registration of transfer, exchange or redemption, for replacement in connection with any Note mutilated, defaced or deemed lost or stolen or if redeemed in full by the Issuer in accordance with the Condition 7 (*Redemption and Purchase*). The cancellation (and/or decrease, as applicable) of any surrendered Notes (except as aforesaid) shall not be taken into account for purposes of any relevant calculations (including but not limited to the Coverage Tests).

(k) Notice of Redemption

The Issuer shall procure that written notice of any redemption in accordance with this Condition 7 (*Redemption and Purchase*), which notice shall be irrevocable, is given to the Trustee and Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies.

8. Payments

(a) Method of Payment

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of any Paying Agent by wire transfer. Payments of interest on each Note and, prior to redemption in full thereof, principal in respect of each Note, will be made by wire transfer. Upon application of the holder to the specified office of any Paying Agent not less than five Business Days before the due date for any payment in respect of a Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of such Note as provided above) by wire transfer, in immediately available funds, on the due date to a Euro account maintained by the payee with a bank in Western Europe.

(b) Payments

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(c) Payments on Presentation Days

A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date falls after the due date. If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.

(d) Registrar, Paying Agents and Transfer Agent

The names of the initial Registrar, Principal Paying Agent and Transfer Agent and their initial specified offices are set out in the Collateral Administration and Agency Agreement. The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and appoint additional or other Agents, **provided that** it will maintain (i) a Principal Paying Agent (ii) a Registrar (iii) a U.S. Paying Agent (iv) a Transfer Agent having specified offices in at least two major European cities and (v) a paying agent in a Member State that is not 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 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 Calculation Agent, Custodian, Account Bank, Investment Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Investment Manager or Collateral Administrator will promptly be given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

9. Taxation

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland, or any other jurisdiction, or any political sub division or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law (including FATCA). The Issuer shall not be required to gross up any payments made to Noteholders of any Class, and shall withhold or deduct from any such payments any amounts on account of such tax where so required by law (including FATCA). Any such withholding or deduction shall not constitute a Note Event of Default under Condition 10(a) (*Note Events of Default*).

Subject as provided below, if the Issuer certifies to the Trustee (upon which certification the Trustee shall be entitled to rely without further enquiry and without any liability for so relying) that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by law to withhold, deduct or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (save as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved by the Trustee as the principal obligor under the Notes of such Class, or to change its tax residence to another jurisdiction chosen by it and approved by the Trustee, subject to receipt by the Issuer and/or the Trustee of Rating Agency Confirmation in relation to such change, and subject to confirmation from tax counsel of at least ten years' call in such other jurisdiction chosen by it and so approved by the Trustee that such a substitute and/or change in tax residence would be effective in eliminating such an imposition of tax. The Trustee will not give any approval to any such substitution and/or change in tax residence under this Condition 9 (*Taxation*) unless (i) the Trustee has received written advice from legal counsel or a recognised tax expert (such advice to be paid for by the Issuer) to the effect that such substitution and/or change in tax residence will not (1) result in the Issuer becoming subject to U.S. federal income taxation with respect to its net income, (2) result in the Issuer being treated as engaged in a trade or business within the United States for U.S. federal income tax purposes, or (3) have a materially adverse effect on, or result in an materially adverse alteration to, the taxation consequences described in the Offering Circular and (ii) Rating Agency Confirmation has been received in respect of such substitution.

Notwithstanding the above, if any taxes referred to in this Condition 9 (*Taxation*) arise:

(a) due to any present or former connection of any Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Noteholder if such Noteholder is an estate, a trust, a partnership, or a corporation) with Ireland (including without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member of shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having had a permanent establishment therein) otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof;

(b) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence, treaty status or exemption eligibility or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland or other applicable taxing authority;

(c) in respect of a payment made or secured for the immediate benefit of an individual or a non-corporate entity which is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or any arrangement entered into between the Member States and certain third countries and territories in connection with the Directive;

(d) as a result of presentation for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Transfer Agent in a Member State;

(e) in connection with FATCA; or

(f) any combination of the preceding paragraphs (a) to (e) (inclusive) above,

the requirement to substitute the Issuer as a principal obligor and/or change its residence for taxation purposes shall not apply.

10. Events of Default

(a) Note Events of Default

The occurrence of any of the following events shall constitute a "**Note Event of Default**":

(i) Non-payment of interest

The Issuer fails to pay any interest in respect of any Class A Notes or Class B Notes, when the same becomes due and payable (save, in each case, as the result of any deduction therefrom or the imposition of withholding thereon in the circumstances described in Condition 9 (*Taxation*)), and, in each case, failure to pay such interest in such circumstances continues for a period of at least five Business Days;

(ii) Non-payment of principal

The Issuer fails to pay any principal when the same becomes due and payable on any Note on any Redemption Date or the Maturity Date, **provided that** any such failure to pay such principal in such circumstances continues for a period of at least five Business Days or, in the case of a failure to disburse due to an error in any calculation made by the Calculation Agent or due to an administrative error or omission (as notified by the relevant party in writing to the Issuer and the Trustee), such failure continues for a period of at least ten Business Days and **provided further that** (1) failure to effect any redemption for which notice is withdrawn in accordance with the Conditions, (2) failure to effect any redemption with respect to which a Refinancing fails and (3) failure to effect a Re-Pricing, in each case, will not constitute a Note Event of Default;

(iii) Default under Priorities of Payment

The failure on any Payment Date to disburse amounts (other than (i) or (ii) above) available in the Payment Account in excess of €1,000 for that purpose in accordance with the Priorities of Payment, which failure continues for a period of ten Business Days;

(iv) Breach of Other Obligations

The Issuer does not perform or comply with any other of its covenants, warranties or other agreements of the Issuer under the Notes, the Trust Deed, the Collateral Administration and Agency Agreement, the Investment Management Agreement, or any other Transaction Document (other than (1) a covenant, warranty or other agreement referred to in (i) or (ii) above or (2) the failure to meet any Collateral Quality Test, Portfolio Profile Test or Coverage Test), or any representation, warranty or statement of the Issuer made in the Trust Deed, the Collateral Administration and Agency Agreement, the Investment Management Agreement, or any other Transaction Document or in any certificate or other writing delivered pursuant thereto or in connection therewith was untrue in any material respect when the same shall have been made, and the continuation of such default, breach or failure for a period of 45 days after notice thereof shall have been given by registered or certified mail or courier, to the Issuer by the Trustee, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**", except for any such default, breach or failure which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Controlling Class, **provided that** if the Issuer (as notified to the Trustee by the Investment Manager in writing) has commenced curing such default, breach or failure during the 45 day period specified above, such default, breach or failure shall not constitute a Note Event of Default under this paragraph (iv) unless it continues for

a period of 90 days (rather than, and not in addition to, such 45 day period specified above) after notice thereof in accordance herewith;

(v) Insolvency Proceedings

Proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation, examinership, suspension of payments, controlled management or other similar laws (together, "**Insolvency Law**"), or a Receiver is appointed pursuant to judicial proceedings under any applicable Insolvency Law in relation to the Issuer or in relation to the whole or any substantial part, in the opinion of the Trustee, of the undertaking or assets of the Issuer and in any of the foregoing cases, except in relation to the appointment of a Receiver, is not discharged within 60 days; or the Issuer is subject to, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver pursuant to judicial proceedings under any applicable Insolvency Law, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by an Extraordinary Resolution of the Controlling Class);

(vi) Illegality

It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes or the Transaction Documents;

(vii) Investment Company Act

The Issuer or the pool of Collateral becomes required to register as an "Investment Company" under the Investment Company Act; or

(viii) Portfolio Assets

On any Measurement Date on and after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to the Aggregate Collateral Balance, and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A Notes, to equal or exceed 100 per cent.

(b) Acceleration

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

(ii) Upon any such notice being given to the Issuer in accordance with Condition 10(b)(i), all of the Notes shall immediately become due and repayable at their applicable Redemption Prices, **provided that** the security constituted under the Trust Deed and the Euroclear Pledge Agreement over the Collateral shall only become enforceable in accordance with Condition 11 (*Enforcement*).

(c) Acceleration Priority of Payments

Interest Proceeds, Principal Proceeds and other amounts (if any) standing to the credit of the Accounts including Sale Proceeds and/or the net proceeds of enforcement of the security over the Collateral (the "**Available Proceeds**") will be applied (a) on the Maturity Date, (b) on such other date on which the Notes are redeemed in full pursuant to Condition 7 (*Redemption and Purchase*) or (c) on and following the delivery date of an Acceleration Notice (**provided that** if such Acceleration Notice is subsequently rescinded or annulled in accordance with Condition 10(d) (*Curing of Default*), only up to the date on which such Acceleration Notice is rescinded or annulled), in accordance with the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Acceleration Priority of Payments**"):

(A) other than following enforcement of the security constituted under the Trust Deed in accordance with Condition 11 (*Enforcement*), in payment of (1) the Issuer Fee and (2) taxes owing by the Issuer which became due and payable in the current tax year as certified in writing by an Authorised Officer of the Issuer to the Collateral Administrator, if any (save for any Irish corporate income tax in relation to the Issuer Fee and any VAT payable in respect of any Investment Management Fee or (if applicable) any Make-whole Investment Management Fee or any other tax payable in relation to any amount payable to the Secured Parties);

(B) to the payment of any due and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap **provided that** upon the occurrence of a Note Event of Default, the Senior Expenses Cap shall not apply to this paragraph (B);

(C) in payment of any due and unpaid Administrative Expenses (**provided that**, following an enforcement of the security constituted under the Trust Deed in accordance with Condition 11 (*Enforcement*), such payment shall only be made to recipients thereof that are Secured Parties) in the order of priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap less any amounts paid pursuant to paragraph (B) above **provided that** following an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Senior Expenses Cap shall not apply to this paragraph (C);

(D) in payment:

(1) *firstly*, to the Investment Manager of the Senior Investment Management Fee due and payable and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority) save for any Deferred Senior Investment Management Amounts;

(2) *secondly*, to the Investment Manager of any previously due and unpaid Senior Investment Management Fees (other than Deferred Senior Investment Management Amounts) and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(3) *thirdly*, if applicable, to the Investment Manager of any Make-whole Senior Investment Management Fee and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(E) in payment on a *pro rata* basis of all Interest Amounts due and payable on the Class A Notes;

(F) to the redemption on a *pro rata* basis of the Class A Notes, until the Class A Notes have been redeemed in full;

(G) in payment on a *pro rata* basis of all Interest Amounts due and payable on the Class B Notes;

(H) to the redemption on a *pro rata* basis of the Class B Notes, until the Class B Notes have been redeemed in full;

(I) in payment on a *pro rata* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class C Notes;

(J) in payment on a *pro rata* basis of any Deferred Interest on the Class C Notes;

(K) to the redemption on a *pro rata* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(L) in payment on a *pro rata* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class D Notes;

(M) in payment on a *pro rata* basis of any Deferred Interest on the Class D Notes;

(N) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(O) in payment on a *pro rata* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class E Notes;

(P) in payment on a *pro rata* basis of any Deferred Interest on the Class E Notes;

(Q) to the redemption on a *pro rata* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(R) in payment on a *pro rata* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class F Notes;

(S) in payment on a *pro rata* basis of any Deferred Interest on the Class F Notes;

(T) to the redemption on a *pro rata* basis of the Class F Notes, until the Class F Notes have been redeemed in full;

(U) in payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(V) in payment of Administrative Expenses (if any) in the order of priority stated in the definition thereof, not paid by reason of the Senior Expenses Cap;

(W) in payment:

(1) *firstly*, to the Investment Manager of the Subordinated Investment Management Fee due and payable and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority) save for any Deferred Subordinated Investment Management Amounts;

(2) *secondly*, to the Investment Manager of any previously due and unpaid Subordinated Investment Management Fees (other than Deferred Subordinated Investment Management Amounts) and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(3) *thirdly*, to the Investment Manager of any Deferred Senior Investment Management Amounts, Deferred Subordinated Investment Management Amounts or Deferred Incentive Investment Management Amounts and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(4) *fourthly*, if applicable, to the Investment Manager of any Make-whole Subordinated Investment Management Fee and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant taxing authority);

(X) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such date in accordance with the Interest Priority of Payments and the Principal Priority of Payments, the Incentive Investment Management Fee IRR Threshold has been reached on or prior to such date, 20 per cent. of any remaining proceeds on such date in payment to the Investment Manager as an Incentive Investment Management Fee and any VAT in respect thereof (whether payable to the Investment Manager or directly to the relevant tax authority); and

(Y) in 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).

(d) Curing of Default

At any time after an Acceleration Notice has been given and prior to enforcement of the security pursuant to Condition 11(b) (*Enforcement*), the Trustee may, and shall if requested by the Controlling Class acting by Extraordinary Resolution and subject, in each case, to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith, rescind and annul such Acceleration Notice and its consequences if:

(i) the Issuer has paid or deposited with the Trustee or to its order a sum sufficient to pay:

(A) all overdue payments of interest and principal on the Notes, other than the Subordinated Notes;

(B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee; and

(C) all due but unpaid Administrative Expenses and Trustee Fees and Expenses; and

(ii) the Trustee has determined that all Note Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under paragraph (b) (*Acceleration*) above due to such Note Events of Default, have been cured or waived.

Any previous rescission and annulment of an Acceleration Notice pursuant to this paragraph (d) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or as subsequently requested, accelerates the Notes in accordance with paragraph (i) of Condition 10(b) (*Acceleration*) above.

(e) Restriction on Acceleration of Notes

No acceleration of the Notes shall be permitted pursuant to this Condition at the request of a Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(f) Notification and Confirmation of No Default

The Issuer shall promptly notify in writing the Trustee, the Collateral Administrator, the Agents, the Investment Manager, the Noteholders in accordance with Condition 16 (*Notices*) and each Rating Agency upon becoming aware of the occurrence of a Note Event of Default or a Potential Note Event of Default (as defined in the Trust Deed). The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and each Rating Agency on an annual basis that no Note Event of Default or Potential Note Event of Default (as defined in the Trust Deed) has occurred.

11. Enforcement

(a) Security Becoming Enforceable

The security constituted under the Trust Deed and the Euroclear Pledge Agreement over the Collateral shall become enforceable upon an acceleration of the maturity of any of the Notes pursuant to and in accordance with paragraph (b) (*Acceleration*) of Condition 10 (*Events of Default*), subject always to such notice accelerating the Notes not having been rescinded or annulled by the Trustee pursuant to paragraph (d) (*Curing of Default*) of Condition 10 (*Events of Default*). The security constituted under the Trust Deed and the Euroclear Pledge Agreement shall not become enforceable in any other circumstances including, without limitation, in the event that the Issuer defaults under any of its payment obligations to any of the other Secured Parties.

(b) Enforcement

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion, and shall, if so directed by the Controlling Class acting by Ordinary Resolution (subject, in each case, to the Trustee being indemnified and/or secured and/or

pre-funded to its satisfaction) institute such proceedings against the Issuer or take any other action or steps as it may think fit to enforce the terms of the Trust Deed and the Notes and, pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce the security over the Collateral (such actions together, "**Enforcement Actions**"), in each case without any liability as to the consequence of any action and without having regard (save to the extent provided in Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)) to the effect of such action on individual Noteholders of such Class or any other Secured Party **provided, however, that**:

(i) no such Enforcement Action may be taken by the Trustee unless:

(A) subject to it being indemnified and/or prefunded and/or secured to its satisfaction, the Trustee (or an Appointee on its behalf) determines that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) other than the Subordinated Notes and all amounts payable in priority thereto pursuant to the Acceleration Priority of Payments (such amount, the "**Enforcement Threshold**" and such determination, an "**Enforcement Threshold Determination**"); or

(B) if the Enforcement Threshold will not have been met, then:

(1) in the case of a Note Event of Default specified in sub-paragraphs (i), (ii), (v), (vii) or (viii) of Condition 10(a) (*Note Events of Default*), the Controlling Class acting by way of Ordinary Resolution directs the Trustee to take such Enforcement Action; or

(2) in the case of any other Note Event of Default, the Noteholders of each Class of Rated Notes, voting separately and acting by way of Extraordinary Resolution direct the Trustee to take such Enforcement Action; and

(ii) the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith. Following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the Trustee shall (**provided** it is indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith), if so directed, act upon the directions of the Subordinated Notes acting by Ordinary Resolution.

For the purposes of determining all issues relating to the execution of a sale, liquidation or valuation of the Portfolio, the anticipated proceeds to be realised from any Enforcement Action and any Enforcement Threshold Determination (and all and any other matters or actions required to be determined or made by the Trustee pursuant to this Condition 11 (*Enforcement*)), the Trustee may appoint an independent investment banking firm or other appropriate advisor to advise it and may obtain and rely (without any liability for so relying) on an opinion and/or advice of such independent investment banking firm or other appropriate advisor (the cost of which shall be payable by the Issuer as Trustee Fees and Expenses).

The Trustee shall notify the Noteholders (in accordance with Condition 16 (*Notices*)), the Issuer and the Investment Manager in the event that it makes an Enforcement Threshold Determination at any time or takes any Enforcement Action at any time.

(c) Only Trustee to Act

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or

neglects to do so within a reasonable period after having received notice of such failure or neglect. Any proceeds received by such Noteholder or other Secured Party pursuant to any such proceedings brought by such Noteholder or other Secured Party shall be paid promptly following receipt thereof to the Trustee for application pursuant to the terms of the Trust Deed.

(d) Purchase of Collateral by Noteholders

Upon any sale of any part of the Collateral following the occurrence of a Note Event of Default, whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder, the Investment Manager or any of its Affiliates may (but shall not be obliged to) bid for and purchase the Collateral or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of such property in its or their own absolute right without accountability. In addition, any purchaser in any such sale which is a Noteholder may deliver Notes held by it in place of payment of the purchase price for such Collateral where the amount payable to such Noteholder in respect of such Notes pursuant to the Priorities of Payment out of the net proceeds of such sale is equal to or exceeds the purchase moneys so payable.

12. Prescription

Claims in respect of principal and interest payable on redemption in full of the relevant Notes will become void unless presentation for payment is made as required by Condition 8 (*Payments*) within a period of five years, in the case of interest, and ten years, in the case of principal, from the appropriate Record Date.

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 of passing Written Resolutions) to consider matters affecting the interests of the Noteholders including, without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) are descriptive of and subject to the detailed provisions of the Trust Deed.

(b) Decisions and Meetings of Noteholders

(i) General

Decisions may be taken by Noteholders by way of Ordinary Resolution or Extraordinary Resolution, in each case, either acting together or, to the extent specified in any applicable Transaction Document, as a Class of Noteholders acting independently. Such Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "Minimum Percentage Voting Requirements" in paragraph (iii) (*Minimum Voting Rights*) below. Meetings of the Noteholders may be convened by the Issuer or the Trustee and shall be convened by the Issuer or the Trustee (subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction) upon request by one or more Noteholders holding not less than 10 per cent. of the Principal Amount Outstanding of a Class of Notes, subject to certain conditions including minimum notice periods.

Noteholders shall have one vote in respect of each €1,000 of principal amount of Notes of the relevant Class held by it.

The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects the holders of only one or more Classes of Notes, in which event the required quorum and minimum percentage voting requirements of such Ordinary Resolution or Extraordinary Resolution may be determined by reference only to the holders of that Class or Classes of Notes and not the holders of any other Notes as set out in the tables below.

(ii) Quorum

The quorum required for any meeting convened to consider an Ordinary Resolution or Extraordinary Resolution, in each case, of all the Noteholders or of Noteholders of a Class of Notes, or at any adjourned meeting to consider such a Resolution, shall be as set out in the relevant column and row corresponding to the type of resolution in the table "Quorum Requirements" below.

Quorum Requirements

Type of Resolution	Any meeting other than a meeting adjourned for want of quorum	Meeting previously adjourned for want of quorum
Extraordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than $66^2/_3$ per cent. of the aggregate of the Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of any Notes (or of the relevant Class or Classes only, if applicable)
Ordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 50 per cent. of the aggregate of the Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of any Notes (or of the relevant Class or Classes only, if applicable)

The Trust Deed does not contain any provision for higher quorums in any circumstances.

(iii) Minimum Voting Rights

Set out in the table "Minimum Percentage Voting Requirements" below are the minimum percentages required to pass the Resolutions specified in such table which (A) in the event that such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the number of votes cast in favour as a percentage of the number of votes cast on such Resolution and (B) in the case of any Written Resolution, shall be determined by reference to the aggregate Principal Amount Outstanding of each Class of Notes entitled to vote in respect of such Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Per cent.
Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	At least $66^2/_3$ per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	More than 50 per cent.

(iv) Written Resolutions

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any Extraordinary Resolution or Ordinary Resolution may be passed by way of Written Resolution. A

Written Resolution shall for all purposes be as valid and effective as a Resolution passed at a meeting of the Noteholders of the relevant Class.

(v) All Resolutions Binding

Subject to Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*), any Resolution of the Noteholders (including any resolution of a specified Class or Classes of Noteholders, where the resolution of one or more Classes is not required) duly passed shall be binding on all Noteholders (regardless of Class and regardless of whether or not a Noteholder was present at the meeting at which such Resolution was passed).

(vi) Extraordinary Resolution

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (other than as contemplated in Condition 14(c) (*Modification and Waiver*)):

(A) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity other than in connection with a Refinancing;

(B) the modification of any provision relating to the timing and/or circumstances of the payment of interest or redemption of the Notes of a Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated) (other than in the case of a Refinancing or a Re-Pricing);

(C) the modification of any of the provisions of the Trust Deed which would directly and adversely affect the calculation of the amount of any payment of interest or principal on any Note (other than in the case of a Refinancing or a Re-Pricing);

(D) the adjustment of the outstanding principal amount of the Notes Outstanding of the relevant Class (other than in connection with a further issue of Subordinated Notes pursuant to Condition 17 (*Additional Issuances*));

(E) a change in the currency of payment of the Notes of a Class;

(F) any change in the Priorities of Payment or of any payment items in the Priorities of Payment;

(G) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution or any other provision of these Conditions which requires the written consent of the holders of a requisite principal amount of the Notes of any Class Outstanding;

(H) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed or the Euroclear Pledge Agreement;

(I) any item requiring approval by Extraordinary Resolution pursuant to these Conditions or any Transaction Document; and

(J) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*).

(vii) Ordinary Resolution

The Noteholders shall, subject to these Conditions and the Transaction Documents, have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in Condition 14(b)(vi) (*Extraordinary Resolution*).

(c) Modification and Waiver

The Trust Deed provides that without the consent of the Noteholders (save where such consent is specified below) or any other Secured Party, the Issuer and the Investment Manager (acting on behalf of the Issuer) may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Investment Management Agreement and/or any other Transaction Document (subject to the

consent of the other parties thereto) and the Trustee shall without the consent of the Noteholders (save where such consent is specified below) consent to such amendment, modification, supplement or waiver (other than, in the case of an amendment, modification, supplement or waiver pursuant to paragraphs (xiv) and (xv) below, which shall be subject to the prior written consent of the Trustee in accordance with the relevant paragraph) for any of the following purposes:

(i) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power in the Trust Deed or the Investment Management Agreement (as applicable) conferred upon the Issuer (in the case of such surrender, subject to the approval of the Noteholders of each Class, each acting by way of Ordinary Resolution);

(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 (and, if applicable, the Euroclear Pledge Agreement), 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 (and, if applicable, the Euroclear Pledge Agreement) (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 (and, if applicable, the Euroclear Pledge Agreement) 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, in each case subject to receipt of Rating Agency Confirmation;

(v) to make any changes necessary or advisable in order for the Notes of each Class to be (or to remain) listed on the Global Exchange Market of the Irish Stock Exchange or any other exchange;

(vi) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;

(vii) subject to the consent of the Subordinated Noteholders acting by way of Ordinary Resolution, 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 or any additional VAT in respect of any Investment Management Fees or Make-whole Investment Management Fees;

(viii) subject to the consent of the Subordinated Noteholders acting by way of Ordinary Resolution, to take any action necessary, advisable, or helpful to prevent the Issuer or the Noteholders from being subject to (or to otherwise reduce) withholding or other taxes, fees or assessments, including by complying with FATCA, or to reduce the risk that the Issuer will be treated as engaged in a trade or business in the United States or otherwise subject to U.S. federal, state or local income tax on a net income basis;

(ix) to modify the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in ERISA or other applicable law or regulation (or the interpretation thereof) to enable the Issuer to rely upon any exemption from registration under the Securities Act or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required thereunder;

(x) to amend the name of the Issuer;

(xi) to amend, modify or otherwise accommodate changes to the Trust Deed to comply with any rule or regulation, including without limitation Rule 3a-7 of the Investment Company Act, enacted or modified by any regulatory agency of the United States federal government after the Issue Date that is applicable to the Notes;

(xii) to make any changes necessary to enable the Issuer to comply with the Securitisation Regulation, CRA3, the Dodd-Frank Act, Rule 17g-5, CRS (or any other similar regime for the reporting and automatic exchange of information), the Retention Requirements or Similar Requirements;

(xiii) to make any changes necessary to facilitate the Issuer effecting a Refinancing or a Re-Pricing;

(xiv) to make any other modification of any of the provisions of the Transaction Documents which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error;

(xv) subject to the consent of the Subordinated Noteholders acting by way of Ordinary Resolution, to make any other modification (save as otherwise provided in the relevant Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of any Transaction Document which, in the opinion of the Trustee, is not materially prejudicial to the Noteholders of any Class;

(xvi) subject to the consent of the Controlling Class acting by way of Ordinary Resolution (but which right of consent, in the case of clause (B) below, shall expire and be of no further force or effect on the first anniversary of the expiry of the Non-Call Period):

(A) to evidence any waiver of or modification to the rating methodology by any Rating Agency or as to any requirement or condition of such Rating Agency set out in the Transaction Documents, subject to receipt of Rating Agency Confirmation;

(B) to make any changes necessary to facilitate the Issuer effecting a Refinancing of the Controlling Class; and

(C) to enter into any additional agreements not expressly prohibited by the Transaction Documents, **provided that** any such additional agreements include customary limited recourse and non-petition provisions; and

(xvii) to make any changes necessary to permit any additional issuances of Subordinated Notes in accordance with Condition 17 (*Additional Issuances*).

Any such amendment, modification, supplement or waiver shall be binding on all Noteholders and shall be notified by the Issuer (or the Investment Manager on its behalf) to the Rating Agencies as soon as practicable.

Notwithstanding anything to the contrary herein, no amendment, modification, supplement and/or waiver of any provision of the Trust Deed or the Investment Management Agreement shall become effective unless such amendment, modification, supplement or waiver will not, in the reasonable judgement of the Issuer in consultation with legal counsel experienced in such matters, as certified by the Issuer to the Trustee (upon which certification the Trustee may conclusively rely without further enquiry and without liability for so relying), (1) result in the Issuer becoming subject to U.S. federal income taxation with respect to its net income, (2) result in the Issuer being treated as engaged in a trade or business within the United States for U.S. federal income tax purposes, or (3) have a material adverse effect on the tax treatment of the Issuer or the tax consequences to the Noteholders, as described in the Offering Circular under the heading "*Certain Tax Considerations – Certain U.S. Federal Income Tax Considerations"*.

The Trustee shall (save where such consent is specified above), without the consent or sanction of any of the Noteholders or any other Secured Party, concur with the Issuer, in making any amendment, modification, supplement or waiver which the Issuer certifies to the Trustee (upon which certification the Trustee is entitled to rely without making any further enquiry or without any liability for so relying) is required pursuant to the paragraphs above (other than a modification, waiver or authorisation pursuant to paragraphs (xiv) and (xv) above, which shall be subject to the prior written consent of the Trustee in accordance with the relevant paragraph), **provided that** the Trustee shall not be obliged to agree to any amendment, modification, supplement or waiver or any other matter which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, indemnities, rights and powers, of the Trustee in respect of the Transaction Documents.

Any amendment, modification, supplement or waiver to any provision of any Transaction Document shall be notified by the Issuer to the Noteholders in accordance with Condition 16 (*Notices*) no later than 15 Business Days prior to any such amendment, modification, supplement or waiver becoming effective.

The Trust Deed provides that the Trustee shall be entitled to obtain and rely and act upon, such legal or other professional advice as it sees fit in connection with (a) giving its consent to any amendment, modification, supplement or wavier in accordance with this Condition 14(c) (*Modification and Waiver*) and (b) determining whether or not the amendment, modification, supplement or waiver falls within any of the paragraphs as set out in this Condition 14(c) (*Modification and Waiver*).

The Issuer shall procure that, so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange, any material amendments or modifications to the Conditions of the Notes, the Trust Deed or such other conditions made pursuant to this Condition 14(c) (*Modification and Waiver*) shall be notified to the Irish Stock Exchange.

(d) Substitution

The Trust Deed contains provisions permitting the Trustee to agree with the Issuer, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, **provided that** (A) such substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class and (B) the Trustee has received written advice from legal counsel or a recognised tax expert (such advice to be paid for by the Issuer) to the effect that such substitution and/or change in tax residence will not (1) result in the Issuer becoming subject to U.S. federal income taxation with respect to its net income, (2) result in the Issuer being treated as engaged in a trade or business within the United States for U.S. federal income tax purposes, or (3) have a materially adverse effect on, or result in a materially adverse alteration to, the taxation consequences described in the Offering Circular. 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, to a change of the law governing the Notes and/or the Trust Deed and/or any other Transaction Documents; **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders in accordance with Condition 16 (*Notices*) no later than 15 Business Days prior to any such substitution becoming effective. The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, **provided** the Issuer does all such things as the Trustee may reasonably require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may reasonably direct.

No Noteholder shall, in connection with any substitution or change in residence, be entitled to claim any indemnity or payment in respect of any tax consequences thereof for such Noteholder.

(e) Entitlement of the Trustee and Conflicts of Interest

In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition), the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 (*Taxation*).

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) Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (ii) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (iii) the Class D Noteholders over the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (iv) the Class E Noteholders over the Class F Noteholders and the Subordinated Noteholders; and (v) 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 (e), each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater aggregate principal amount of Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class given priority as described in this paragraph (e)) in such circumstances subject to being indemnified and/or secured and/or pre-funded to its satisfaction, and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any other Class of Notes.

In addition, the Trust Deed provides that, so long as any Note is Outstanding, the Trustee shall have no regard to the interests of any Secured Party other than the Noteholders or, at any time, to the interests of any other person.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any other party to any Transaction Document and any entity related to the Issuer or any other party to any Transaction Document without accounting for any profit. The Trustee is exempted from any liability in respect of any loss, disposal, reduction in value or theft of the Collateral from any obligation to insure, or to monitor the provisions of any insurance arrangements in respect of, the Collateral (for the avoidance of doubt, under the Trust Deed the Trustee is under no such obligation) and from any claim arising from the fact that the Collateral is held by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee shall not be responsible for the performance by the Custodian or any other Agent of any of its duties under the Collateral Administration and Agency Agreement or for the performance by the Investment Manager of any of its duties under the Investment Management Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Administration and Agency Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or by any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management, sufficiency or adequacy or operation of the Collateral including the request by the Investment Manager to release any of the Collateral from time to time.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee by Extraordinary Resolution of the Controlling Class, but no such retirement or removal shall become effective until a successor trustee is appointed.

16. Notices

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre-paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission) and (for so long as the Notes are listed on the Global Exchange Market and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange. Any such notice shall be deemed to have been given to the Noteholders (a) in the case of inland mail three days after the date of dispatch thereof, (b) in the case of overseas mail, seven days after the dispatch thereof or, (c) in the case of electronic transmission, on the date of dispatch.

The Trustee may sanction some other method of giving notice to the Noteholders (or a category of them) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules or guidelines, as applicable, of the stock exchange on which the Notes are then listed and **provided that** notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

17. Additional Issuances

The Issuer may from time to time and subject to the approval of the Subordinated Noteholders acting by Ordinary Resolution (or, solely in order to prevent or cure a Retention Deficiency, the approval of the Retention Holder only), create and issue further Subordinated Notes having the same terms and conditions as the existing Class of Subordinated Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Subordinated Notes (the "**Further Subordinated Notes**"). No further issuance of Subordinated Notes may be made pursuant to this Condition 17 (*Additional Issuances*) unless the following conditions are met:

(a) such further issuances may not exceed 100 per cent. in the aggregate of the original aggregate principal amount of the Subordinated Notes;

(b) such Further Subordinated Notes must be issued for a cash sale price and the net proceeds applied to a Permitted Use;

(c) the terms (other than the date of issuance, the issue price and the date from which interest will accrue but including the subordination terms) of such Further Subordinated Notes must be identical to the terms of the previously issued Subordinated Notes;

(d) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance;

(e) the Issuer may only issue and sell Further Subordinated Notes three times and on each such occasion the aggregate principal amount of such issuance may not be less than €1,000,000;

(f) the holders of the Subordinated Notes shall have been notified in writing by the Issuer or the Investment Manager 30 days prior to such issuance and shall have been afforded the opportunity to purchase Further Subordinated Notes in an amount not to exceed the percentage of the Subordinated Notes each holder held immediately prior to the issuance of such Further Subordinated Notes and on the same terms offered to investors generally;

(g) so long as the existing Subordinated Notes are listed on the Global Exchange Market, the Further Subordinated Notes to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the Global Exchange Market (for so long as the rules of the Irish Stock Exchange so require);

(h) such further issuances are in accordance with all applicable laws;

(i) such Further Subordinated Notes are only offered and sold to persons meeting the criteria in effect on the Issue Date for the purchase of Subordinated Notes; and

(j) the Issuer shall have provide written notice of such further issuance of Subordinated Notes to the Trustee at least 30 days prior to the proposed date of issue;

provided that the foregoing requirements of paragraphs (e), (f) and (j) shall not apply in respect of any additional issuance of Subordinated Notes if such additional issuance is required in order to prevent or cure a Retention Deficiency.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any further Subordinated Notes issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Subordinated Notes. Any further Subordinated Notes forming a single series with the Subordinated Notes shall be constituted by a deed supplemental to the Trust Deed.

18. Third Party Rights

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. Governing Law

(a) Governing Law

The Trust Deed and each Class of Notes and any dispute, controversy, proceedings or claim of whatever nature (whether contractual or non-contractual) arising out of or in any way relating to the Trust Deed or any Class of Notes including in each case any non-contractual obligations are governed by and shall be construed in accordance with English law.

(b) Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Notes, and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts

and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

The Issuer appoints Wilmington Trust SP Services (London) Limited of Third Floor, 1 King's Arms Yard, London EC2R 7AF (the "**Process Agent**") as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify in writing the Trustee and the Noteholders in accordance with Condition 16 (*Notices*) of such appointment. Until a substitute process agent has been notified to the Trustee, the parties' service of documents to the Process Agent shall continue to be effective. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Notes on the Issue Date after payment of fees and expenses payable on or accrued at the Issue Date (including, without duplication, estimated expenses of approximately €5,000 relating to the listing of the Notes on the Irish Stock Exchange) is expected to be approximately €274,272,770.

The net proceeds of issue of the Notes shall be used by the Issuer on the Issue Date to pay certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes which will be deposited in the Expense Reserve Account on the Issue Date. The remaining net proceeds of issue of the Notes shall be deposited in the Unused Proceeds Account on the Issue Date for application on and after the Issue Date in settlement of the Initial Portfolio Assets which the Issuer committed to acquire pursuant to the Initial Collateral Acquisition Agreements, provided that an amount equal to €1,155,142 shall be deposited in the Interest Account on the Issue Date.

FORM OF THE NOTES

References below to Notes and to the Global Certificates and the Definitive Certificates representing such Notes are to each respective Class of Notes, except as otherwise indicated.

Initial Issue of Notes

The Regulation S Notes of each Class will be represented on issue by a Regulation S Global Certificate deposited with, and registered in the name of, a nominee of a common depositary acting on behalf of Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Certificate may be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". Beneficial interests in a Regulation S Global Certificate may not be held by a U.S. Person or U.S. Resident at any time. By acquisition of a beneficial interest in a Regulation S Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is an institution that is not a U.S. Person, and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only (i) to a person it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a nominal amount of not less than €100,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note; or (ii) to an institution that is a non U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S. See "*Transfer Restrictions*".

The Rule 144A Notes of each Class will be represented on issue by a Rule 144A Global Certificate deposited with a custodian for, and registered in the name of, a nominee of a common depositary acting on behalf of DTC. Beneficial interests in a Rule 144A Global Certificate may only be held at any time only through DTC. See "*Book Entry Clearance Procedures*". By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, amongst other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. See "*Transfer Restrictions*".

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set out therein and in the Trust Deed and as set out in Rule 144A, and the Notes will bear the applicable legends regarding the restrictions set out under "*Transfer Restrictions*". In the case of each Class of Notes, a beneficial interest in a Regulation S Global Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) to the effect that the transferor reasonably believes that the transferee is a QIB and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made to an institution that is a non-U.S. Person and in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate will, upon transfer, cease to be an interest in such Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate will, upon transfer, cease to be an interest in a Rule 144A Global Certificate and become an interest in the Regulation S Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Transfer Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Notes.

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

The Notes are not issuable in bearer form.

Amendments to Terms and Conditions

Each Global Certificate contains provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes in definitive form (See "*Terms and Conditions of the Notes*"). The following is a summary of those provisions:

- *Payments*: Payments of principal and interest in respect of Notes represented by a Global Certificate will be made to the person named on the Register as at the relevant Record Date and, against presentation and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Certificate to or to the order of the Principal Paying Agent or such other Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. On each occasion on which a payment of interest (unless the Notes represented thereby do not bear interest) or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

- *Notices*: So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Notes provided that such notice is also made to the Companies Announcements Office of the Irish Stock Exchange for so long as such Notes are listed on the Global Exchange Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require. Such notice will be deemed to have been given to the Noteholders on the date of delivery of the relevant notice to the relevant clearing system.

- *Prescription*: Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

- *Meetings*: The holder of each Global Certificate will (unless the Global Certificate represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and at any such meeting as having one vote in respect of each €1,000 of principal amount of Notes.

- *Trustee's Powers*: In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

- *Cancellation*: Cancellation of any Note required by the Terms and Conditions of the Notes to be cancelled will be effected by reduction in the principal amount of the Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

- *Optional Redemption*: The Subordinated Noteholders' and the Controlling Class' options in Condition 7 (*Redemption and Purchase*) may be exercised by the Subordinated Noteholders or the Controlling Class (as applicable) giving notice to the Principal Paying Agent of the principal amount of

Subordinated Notes or Notes representing the Controlling Class (as applicable) in respect of which the option is exercised and presenting such Global Certificate for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*).

- *Record Date*: The Record Date shall be the close of business on the Clearing System Business Day before the relevant due date for payment of principal and interest (where "**Clearing System Business Day**" means a day on which Euroclear, Clearstream, Luxembourg and DTC are open for business).

- *Forced Transfer*: In respect of any forced transfer referred to in Condition 2(h) (*Forced transfer of Rule 144A Notes*), Condition 2(i) (*Forced transfer pursuant to FATCA*), Condition 2(j) (*Forced transfer pursuant to ERISA*) or Condition 2(k) (*Forced transfer pursuant to Re-Pricing*), each Noteholder hereby authorises the Registrar, Euroclear and Clearstream, Luxembourg and the Issuer to take such actions and steps as are necessary in order to effect such forced transfer provisions without the need for any further express instruction or approval from any affected Noteholder or the Noteholders as a whole or of any Class and each Noteholder hereby agrees to be bound by the same. In order to give effect to a Re-Pricing, the Issuer may, to the extent necessary, obtain and assign a separate ISIN, Common Code or CUSIP to the Notes of each Class held by Non-Consenting Holders and the Notes of each Class held by Consenting Holders.

Exchange for Definitive Certificates

Exchange

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below), in whole but not in part, for Definitive Certificates if a Global Certificate is held (directly or indirectly) on behalf of Euroclear, Clearstream, Luxembourg, DTC or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Notes.

"**Exchange Date**" means a day falling not less than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar and the Transfer Agent is located.

Delivery

In such circumstances, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or the Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Certificates and (b) in the case of the Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*" below.

Legends

The holder of a Definitive Certificate in registered definitive form may transfer the Notes represented thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or the Transfer Agent, together with the completed form of transfer and to the extent applicable, consent of the Issuer and a duly completed ERISA Certificate substantially in the form of Annex E (*Form of ERISA Certificate*). Upon the transfer, exchange or replacement of a Definitive Certificate in registered definitive form bearing the legend referred to under "*Transfer Restrictions*" below, or upon specific request for

removal of the legend on a Definitive Certificate in registered definitive form, the Issuer will deliver only Definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set out therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

BOOK ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or DTC (together, the "Clearing Systems") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Arranger, the Co-Arranger, the Initial Purchaser, the Investment Manager, the Collateral Administrator or any Agent party to the Collateral Administration and Agency Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading (See "*Book Entry Ownership - Settlement and Transfer of Notes*" below).

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Investors may hold their interests in a Rule 144A Global Certificate directly through DTC if they are participants ("**Direct Participants**") in the DTC system, or indirectly through organisations which are Direct Participants in such system ("**Indirect Participants**" and together with Direct Participants, "**Participants**").

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes (including, without limitation, the presentation of Global Certificates for exchange as described under "*Form of the Notes – Exchange for Definitive Certificates*" above) only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the relevant Rule 144A Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described under "*Form of the Notes – Exchange for Definitive Certificates"* above, DTC will surrender the relevant Rule 144A Global Certificates in exchange for individual Definitive Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

Each Regulation S Global Certificate and each Rule 144A Global Certificate will have an ISIN and a Common Code and will be registered in the name of, and deposited with, a nominee of a common depositary acting on behalf of, Euroclear and Clearstream, Luxembourg.

DTC

Each Rule 144A Global Certificate will have a CUSIP number and will be deposited with a custodian (the "**DTC Custodian**") for and registered in the name of DTC. The DTC Custodian and DTC will electronically record the principal amount of the Notes held within the DTC System.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate (save in the case of payments other than in U.S. Dollars outside DTC, as referred to below), subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or DTC (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participant and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Certificate held within a Clearing System is exchanged for Definitive Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Certificate to such persons may be limited. Because DTC can only act on behalf of Participants, who in turn act on behalf of Indirect Participants,

the ability of a person having an interest in a Rule 144A Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of a physical certificate in respect of such interest.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

Trading between DTC Participants

Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement ("**SDFS**") system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser

When book-entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Rule 144A Global Certificate to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in a Regulation S Global Certificate (subject to the certification procedures provided in the Collateral Administration and Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the custodian of the Rule 144A Global Certificate will instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of DTC and evidenced by the Rule 144A Global Certificate of the relevant Class and (ii) increase the amount of Notes registered in the name of a nominee of the common depositary acting on behalf of Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser

When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the Rule 144A Global Certificate (subject to the certification procedures provided in the Collateral Administration and Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7.45 p.m., Brussels or Luxembourg time, one Business Day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Rule 144A Global Certificate who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of a nominee of the common depositary acting on behalf of Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Certificate and (ii) increase the amount of Notes registered in the name of the nominee of DTC and evidenced by the Rule 144A Global Certificate.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or any Agent will have any responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their

respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Currency of Payments in respect of the Rule 144A Notes

Subject to the following paragraph, while interests in the Rule 144A Notes are held by a nominee for DTC, all payments in respect of such Rule 144A Notes will be made in U.S. Dollars. As determined by the Exchange Agent under the terms of the Collateral Administration and Agency Agreement, the amount of U.S. Dollars payable in respect of any particular payment under the Rule 144A Notes will be equal to the amount of Euros otherwise payable exchanged into U.S. Dollars at the Euro/U.S. Dollar rate of exchange prevailing as at 11:00 a.m. (London time) on the day which is two London and New York Business Days prior to the relevant payment date, less any costs incurred by the Exchange Agent for such conversion (to be shared *pro rata* among the holders of the Rule 144A Notes accepting U.S. Dollar payments in proportion to their respective holdings), all as set out in more detail in the Collateral Administration and Agency Agreement.

Notwithstanding the above, the holder of an interest through DTC in a Rule 144A Note may make application to DTC to have a payment or payments under such Rule 144A Notes made in Euro by notifying the DTC participant through which its book-entry interest in the Rule 144A Global Certificate is held on or prior to the record date of (a) such investor's election to receive payment in Euro, and (b) wire transfer instructions to an account entitled to receive the relevant payment. Such DTC participant must notify DTC of such election and wire transfer instructions on or prior to the twelfth London and New York Business Day prior to for any payment of interest and or principal. DTC will notify the Exchange Agent of such election and wire transfer instructions on or prior to the tenth London and New York Business Day prior to any payment of interest or principal. If complete instructions are received by the DTC participant and forwarded by the DTC participant to DTC and by DTC to the Exchange Agent on or prior to such date, such investor will receive payments in Euro, otherwise only U.S. Dollar payments will be made by the Principal Paying Agent. All costs of such payment by wire transfer will be borne by holders of book-entry interests receiving such payments by deduction from such payments.

In this paragraph **London and New York Business Day** means any day on which commercial banks and foreign exchange markets settle payments in London and New York City.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the Issue Date thereof, which could be more than three Business Days following the date of pricing. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the relevant Issue Date should consult their own adviser.

RATINGS OF THE NOTES

General

It is a condition of the issue and sale of the Notes that the Rated Notes be issued with at least the following ratings: the Class A Notes: "AAA(sf)" from S&P and "AAAsf" from Fitch; the Class B Notes: "AA+(sf)" from S&P and "AA+sf" from Fitch; the Class C Notes: "A+(sf)" from S&P and "Asf" from Fitch; the Class D Notes: "BBB+(sf)" from S&P and "BBBsf" from Fitch; the Class E Notes: "BB(sf)" from S&P and "BBsf" from Fitch; and the Class F Notes: "B(sf)" from S&P and "Bsf" from Fitch. No application has been made for a rating on the Subordinated Notes and the Subordinated Notes are not expected to be rated.

The ratings assigned to the Class A Notes and Class B Notes address the timely payment of interest and ultimate payment of principal and the ratings assigned to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address the ultimate payment of interest and principal.

In respect of any Rated Notes that are subject to a Refinancing in accordance with Condition 7(b)(vi) (*Optional Redemption effected in whole or in part through Refinancing*), the ratings assigned to the Notes will not necessarily continue to be assigned to the Refinancing Notes issued pursuant thereto.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable rating agency.

S&P Ratings

S&P is expected to rate the Rated Notes in a manner similar to the manner in which it rates other structured issues. This requires an analysis of the following:

(a) the credit quality of the portfolio of Portfolio Assets securing the Notes;

(b) the cash flow used to pay liabilities and the priorities of these payments; and

(c) legal considerations.

Based on these analyses, S&P determines the necessary level of credit enhancement needed to achieve a desired rating. In this connection, the S&P CDO Monitor Test is applied prior to the end of the Reinvestment Period.

S&P's analysis includes the application of its proprietary default expectation computer model (the "**S&P CDO Monitor**"), which is used to estimate the default rate S&P projects the Portfolio is likely to experience and which will be provided to the Investment Manager on or before the Issue Date. The S&P CDO Monitor calculates the cumulative default rate of a pool of Portfolio Assets and Eligible Investments consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. The S&P CDO Monitor takes into consideration the rating of each Obligor, the number of Obligors, the Obligor industry concentration and the remaining weighted average maturity of each of the Portfolio Assets included in the Portfolio. The risks posed by these variables are accounted for by effectively adjusting the necessary default level needed to achieve a desired rating. The higher the desired rating, the higher the level of defaults the Portfolio must withstand. For example, the higher the Obligor industry concentration or the longer the weighted average maturity, the higher the default level is assumed to be.

Credit enhancement to support a particular rating is then provided on the results of the S&P CDO Monitor, as well as other more qualitative considerations such as legal issues and management capabilities. Credit enhancement is typically provided by a combination of over collateralisation/subordination, cash collateral/reserve account, excess spread/interest and amortisation. A cash flow model (the "**Transaction Specific Cash Flow Model**") is used to evaluate the portfolio and determine whether it can comfortably withstand the estimated level of default while fully repaying the class of debt under consideration.

There can be no assurance that actual losses on the Portfolio Assets will not exceed those assumed in the application of the S&P CDO Monitor or that recovery rates and the timing of recovery with respect thereto will not differ from those assumed in the Transaction Specific Cash Flow Model. None of S&P, the Issuer, the Arranger, the Co-Arranger, the Initial Purchaser, the Investment Manager, the Collateral Administrator, the Trustee, the Retention Holder or any Agent makes any representation as to the expected rate of defaults on the Portfolio or as to the expected timing of any defaults that may occur.

S&P's ratings of the Rated Notes will be established under various assumptions and scenario analyses. There can be no assurance that actual defaults on the Portfolio Assets will not exceed those assumed by S&P in its analysis, or that recovery rates with respect thereto (and, consequently, loss rates) will not differ from those assumed by S&P.

Fitch Ratings

The ratings assigned to the Rated Notes by Fitch are based upon Fitch's statistical analysis of historical default rates on debt obligations with similar characteristics to the Portfolio Assets and the various eligibility requirements that the Portfolio Assets are required to satisfy.

Fitch analyses the likelihood that each Portfolio Asset will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Fitch then determines the level of credit protection necessary based on a specific percentile of the portfolio default distribution determined by the Fitch "Portfolio Credit Model" which takes into account the correlation between assets in the portfolio based on the level of diversification by region, issuer and industry. The results of a statistical analysis are incorporated into a cash flow model built to mimic the structure of the transaction. In this regard, the results of several default scenarios, in conjunction with various qualitative tests (e.g. analysis of the strength of the Investment Manager), are used to determine the credit enhancement required to support a particular rating.

Fitch Ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Portfolio Assets will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not differ from those assumed by Fitch.

In addition to those quantitative tests, Fitch Ratings take into account qualitative features of a transaction, including the experience of the Investment Manager, the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.

DESCRIPTION OF THE ISSUER

General

The Issuer is a special purpose vehicle established for the purposes of issuing asset backed securities and was incorporated in Ireland as a designated activity company on 8 September 2015 under the Companies Act 2014 of Ireland under the name Bosphorus CLO II Designated Activity Company and with company registration number 567758.The registered office of the Issuer is 4th Floor, 3 George's Dock, IFSC, Dublin 1, D01 X5X0, Ireland and its telephone number is +353-1-615-5555.

Business

The principal objects of the Issuer are set forth in Article 3 of its Memorandum of Association and include, amongst others, the power to issue securities and to raise or borrow money, to grant security over its assets for such purposes, to lend with or without security and to enter into derivative transactions. Cash flow derived from the Collateral securing the Notes will be the Issuer's only source of funds to fund payments in respect of such Notes.

So long as any of the Notes remain outstanding, the Issuer will be subject to the restrictions set out in the Conditions and in the Trust Deed. In particular, the Issuer has undertaken not to carry out any business other than the issue of the Notes and acquiring, holding and disposing of the Portfolio in accordance with the Conditions and the Investment Management Agreement, entering into the Subscription Agreement, the Collateral Administration and Agency Agreement, the Trust Deed, the Investment Management Agreement, the Collateral Acquisition Agreements, the Euroclear Pledge Agreement and the Administration Agreement and exercising the rights and performing the obligations under each such agreement and all other transactions incidental thereto.

The Issuer will not have any substantial liabilities other than in connection with the Notes and any secured obligations.

The Issuer will not have any subsidiaries and, save in respect of the fees and expenses generated in connection with the issue of the Notes (referred to below), any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the proceeds of the Issuer's issued share capital, the Issuer will not accumulate any surpluses.

The Issuer has, and will have, no material assets other than the Portfolio held from time to time, the Balances standing to the credit of the Accounts and the benefit of the Collateral Administration and Agency Agreement and the Investment Management Agreement entered into by or on behalf of the Issuer from time to time, such fees (as agreed) payable to it in connection with the issue of the Notes, the sum of €1 representing the proceeds of its issued and paid-up share capital and the remainder of the amounts standing to the credit of the Issuer Irish Account. The only assets of the Issuer available to meet claims of the holders of the Notes and the other Secured Parties are the assets comprised in the Collateral.

The Notes are obligations of the Issuer alone and are not the obligation of, or guaranteed in any way by the Directors, the Company Secretary, the Trustee, the Custodian, the Investment Manager, the Collateral Administrator or any Obligor under any part of the Portfolio.

Business Activity

Prior to the Issue Date, the Issuer entered into the Initial Collateral Acquisition Agreements in order to enable the Issuer to acquire the Initial Portfolio Assets on or after the Issue Date. Amounts owing by the Issuer under the Initial Collateral Acquisition Agreements will be fully paid 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 Initial Collateral Acquisition Agreements, the acquisition of the Initial Portfolio, the authorisation and issue of the Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Notes, the Subscription Agreement, the Collateral Administration and Agency Agreement, the Trust Deed, the Investment Management Agreement, the Collateral Acquisition Agreements, the Administration Agreement and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Initial Portfolio.

Management

The Issuer's Articles of Association provide that the board of Directors of the Issuer will consist of at least two directors (the "**Directors**"). The current Directors are:

Name	Occupation	Business Address
Cliona O'Faolain	Company Director	4th Floor, 3 George's Dock, IFSC, Dublin 1, D01 X5X0, Ireland
Alan Geraghty	Company Director	4th Floor, 3 George's Dock, IFSC, Dublin 1, D01 X5X0, Ireland

The company secretary is Wilmington Trust SP Services (Dublin) Limited, an Irish company (the "**Company Secretary**").

Wilmington Trust SP Services (Dublin) Limited acts as the corporate administrator (the "**Administrator**") for the Issuer. The office of the Administrator serves as the general business office of the Issuer. Through that office and pursuant to the Administration Agreement, the Administrator performs various management functions on behalf of the Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Administration Agreement. In consideration of the foregoing, the Administrator receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The terms of the Administration Agreement provide that either party may terminate the Administration Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Administration Agreement which is either incapable of remedy or which is not cured within 30 days of being required to do so. In addition, either party may terminate the Administration Agreement by giving not less than 180 days' written notice. The Administrator may retire from its obligations pursuant to the Administration Agreement by giving at least three months' notice in writing to the Issuer. The retirement of the Administrator will not take effect until such time as a replacement Administrator has been appointed in accordance with the terms of the Administration Agreement.

The Administrator's principal office is 4th Floor, 3 George's Dock, IFSC, Dublin 1, D01 X5X0, Ireland.

Capital and Shares

The authorised share capital of the Issuer is €1,000 divided into 1000 ordinary shares of €1.00 each (the "**Shares**"). The Issuer has issued one share, which is fully paid up and held on trust by Wilmington Trust SP Services (Dublin) Limited (the "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 18 January 2016, whereby the Share Trustee holds the Share on trust for charitable purposes. The Share Trustee will have no beneficial interest in and will derive no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer. The Share Trustee will apply any income derived from the Issuer solely for the above purposes.

Administrative Expenses of the Issuer

The Issuer is expected to incur certain Administrative Expenses (as defined in Condition 1 (*Definitions*)).

Financial Statements

Since its date of incorporation, save as disclosed herein, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Offering Circular. The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2016. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each year.

Each year, a copy of the audited profit and loss account and balance sheet of the Issuer together with the report of the Directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 28 days of the annual return date of the Issuer and is available for inspection. The Issuer's profit and loss account and balance sheet can be obtained free of charge from the registered office of the Issuer. The Issuer must hold its first annual general meeting within 18 months of the date of its incorporation (and no more than 9 months after the financial year end) and thereafter the gap between its annual general meetings must not exceed 15 months. One annual general meeting must be held in each calendar year.

Save as disclosed herein, there has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation. The Issuer has no borrowing or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

The auditors of the Issuer are KPMG of 1 Stokes Place, St. Stephen's Green, Dublin 2. KPMG are authorised by The Institute of Chartered Accountants in Ireland (ICAI).

DESCRIPTION OF THE INVESTMENT MANAGER

The information appearing in this section has been prepared by the Investment Manager and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Initial Purchaser or any other party other than the Investment Manager assumes any responsibility for the accuracy or completeness of such information.

The delivery of this Offering Circular shall not create any implication that there has been no change in the affairs of the Investment Manager or of its Affiliates since the date of this Offering Circular, or that the information contained or referred to herein is correct as of any time subsequent to the date of this Offering Circular.

General

Pursuant to its appointment by the Issuer as Investment Manager under the Investment Management Agreement, Commerzbank AG, London Branch (the "**Investment Manager**") will perform certain investment management functions relating to the Portfolio. The Investment Manager may delegate certain of its management functions to, and may be assisted in the performance of such management functions by, certain of its Affiliates, subject to and in accordance with the terms of the Investment Management Agreement. See further the "*Description of the Investment Management Agreement*" section of this Offering Circular. The Investment Manager will not provide its services to the Issuer on an exclusive basis which may give rise to potential or actual conflicts of interest involving the Issuer. See "*Risk Factors – Relating to certain conflicts of interest – Investment Manager*" above.

Commerzbank AG, London Branch

Commerzbank AG is a stock corporation established under German law and incorporated in Germany as an Aktiengesellschaft ("**AG**") with its registered office in Frankfurt am Main. Commerzbank AG opened its first branch in London in 1973, Commerzbank AG, London Branch. Commerzbank AG is authorised as a financial services firm in the EEA. It is authorised and regulated in the conduct of its investment management business undertaken in the UK by Commerzbank AG, London Branch by the Financial Conduct Authority, which authorisation was effective as of 1 December 2001.

Commerzbank Debt Fund Management

The Investment Manager's London-based Debt Fund Management (the "**DFM team**") is the stand-alone fund management business of the Commerzbank leveraged finance franchise, investing in senior secured debt (leveraged loans & senior secured bonds) on behalf of external investors and Commerzbank. The five person team have over 50 years of cumulative leveraged finance experience and as of December 2015 managed approximately €750m of assets.

Personnel

Set forth below is information regarding the background and principal occupations of those officers of the DFM team of the Investment Manager who are expected to be primarily responsible for managing the Portfolio under the Investment Management Agreement. These individuals are currently employed by the Investment Manager and hold the offices indicated below. Such persons may not necessarily continue to be so employed during the entire term of the Investment Management Agreement.

Guy Beeston, Chief Investment Officer

Prior to joining Commerzbank in 2007, Mr. Beeston ran HVB's (Unicredit) European leveraged debt buy-side business. Mr. Beeston's extensive experience includes structuring and distributing leveraged loan deals, secondary loan trading, portfolio management and involvement in a number of successful debt restructurings which provided full recovery to lenders. Mr. Beeston has 21 years of experience in all aspects of leveraged finance, including senior secured debt, subordinated debt, high yield and private equity, and has invested over €9bn in the leveraged loan asset class. Mr. Beeston holds a Bachelor of Arts with honours degree in Economics from Manchester University and spent the early part of his career at PricewaterhouseCoopers where he qualified as a Chartered Accountant.

Drew Morton, Investment Director

Mr. Morton joined the DFM team in 2009. Prior to joining the DFM team, Mr. Morton worked at Dresdner Kleinwort on the secondary loan trading desk as an analyst and the loan warehousing desk ramping up both client-specific and generic (propriety) CLO loan warehouse portfolios, via the primary and secondary loan market including the on-going management of the credits. Mr. Morton has 11 years of leveraged finance experience including leveraged loans, high yield bond and CDS across a range of sectors, covering principal investing, restructurings, LBOs, recapitalizations, and refinancings including senior secured and subordinated debt. Mr. Morton began his career as an accountant at PricewaterhouseCoopers and qualified as a Chartered Accountant. Mr. Morton holds a Bachelor of Science with honours degree in Economics and Mathematics from Royal Holloway, University of London.

Christoph Zens, Investment Director

Mr. Zens joined the DFM team in 2009. Prior to joining the DFM team, Mr. Zens worked as a transactor in Commerzbank's International Origination Group and has 12 years of leveraged finance experience. Prior to joining Commerzbank, Mr. Zens was an investment analyst in Credit Agricole's CLO Management team. Mr. Zens began his banking career as an analyst in the leveraged finance & securitisation team in the Global Head Office for Risk Management at Crédit Agricole CIB. Mr. Zens's transaction experience includes loan and high yield bond financings for leveraged buy-outs, corporate acquisitions, recapitalizations, refinancings as well as restructurings, across a broad range of industries and company credit profiles. In addition, he has experience in arranging and managing private debt funds. Mr. Zens holds a B.A. from Paris-IX-Dauphine University and an M.B.A. from Baruch College, City University of New York in Finance & Investments.

Zahra Husain, Investment Director

Ms. Husain joined the DFM team in 2011. Prior to joining Commerzbank, Ms. Husain worked in Nomura's Acquisition and Leveraged Finance Capital Markets team. Ms. Husain began her career at Merrill Lynch as an analyst in the European Leveraged Finance Origination team. Ms. Husain has 8 years of leveraged finance experience encompassing structuring, syndicating and investing in leveraged loan and high yield financings (LBOs, refinancings, recapitalizations, corporate acquisitions) for large cap European and cross-border leveraged companies across a variety of industry sectors. Ms. Husain holds a 1st Class Honours bachelors degree in Economics from the London School of Economics and an MSc in Economics for Development from Exeter College, Oxford University.

Natalie Wheatley, Analyst

Ms. Wheatley joined the DFM team in 2013. Prior to joining the DFM team, Ms. Wheatley worked within Commerzbank's finance graduate rotation scheme. Ms. Wheatley has 2 years of leveraged finance experience and is a fully qualified Chartered Management Accountant, ACMA. Ms. Wheatley has a Masters degree in Mathematics from the University of York, with her masters year focusing predominantly on Mathematical Finance modules.

RETENTION REQUIREMENTS

Retention Holder

NPIC Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands managed by Polar Securities Inc., shall act as retention holder (in such capacity, the "**Retention Holder**"), for the purposes of the Retention Requirements and Similar Requirements. The registered office of the Retention Holder is c/o Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands.

Retention Undertaking Letter

On the Issue Date, the Retention Holder, the Issuer, the Trustee, the Investment Manager, the Collateral Administrator (solely for the purposes of paragraphs (d) and (e) below) and the Initial Purchaser will enter into a letter agreement (the "**Retention Undertaking Letter**") pursuant to which the Retention Holder will agree, and will irrevocably and unconditionally undertake, for so long as any Class of Notes remain Outstanding, that, in connection with the Retention Requirements, on an on-going basis:

(a) the Retention Holder, as originator, will retain a material net economic interest (the "**Retained Interest**") of not less than 5 per cent. in the form specified in paragraph 1 (d) of Article 405 of the CRR, paragraph (1)(d) of Article 51 of the AIFM Regulation and paragraph 2(d) of Article 254 of Commission Delegated Regulation (EU) 2015/35 (that is, retention of the first loss tranche and, if necessary, other tranches having the same or a more severe risk profile than those transferred or sold to investors and not maturing any earlier than those transferred or sold to investors, so that the retention equals in total no less than 5 per cent. of the nominal value of the securitised exposures) by holding Subordinated Notes with a Principal Amount Outstanding of not less than 5 per cent. of the Aggregate Collateral Balance (or such lower amount, including 0 per cent., if such lower amount is required or permitted under the Retention Requirements and Similar Requirements as a result of amendment, repeal or otherwise);

(b) the Retention Holder will not, and it will procure that its Affiliates do not, sell, hedge or otherwise mitigate its credit risk under or associated with the Retained Interest or the underlying portfolio of Portfolio Assets, except to the extent permitted in accordance with the Retention Requirements;

(c) the Retention Holder will (i) take such further action, (ii) provide such information in the possession of the Retention Holder to the extent the same is not subject to a duty of confidentiality, and (iii) enter into such other agreements, in each case, (x) as may reasonably be required to satisfy the Retention Requirements as they apply as of the Issue Date and, in the case of the requirement specified in sub-paragraph (ii), as they apply following the Issue Date, and (y) at the cost and expense of the party seeking such further action, information or agreements;

(d) the Retention Holder will confirm in writing (which may be by way of email) its continuing compliance with the undertakings set out in paragraphs (a) and (b) above to the Trustee, the Issuer, the Investment Manager, the Collateral Administrator and the Initial Purchaser (i) on a monthly basis; (ii) where a breach of the retention commitment referred to in paragraphs (a) through (b) above occurs; (iii) at any time upon a determination by any party to a Transaction Document or a holder of Notes that the performance of the Notes or the risk characteristics of the Notes or of the Portfolio have materially changed; and (iv) upon receiving notice of a breach of the obligations included in the Transaction Documents; and

(e) the Retention Holder will promptly notify the Issuer, the Trustee, the Investment Manager, the Collateral Administrator and the Initial Purchaser in writing (which may be by way of email) if for any reason: (i) it has ceased to hold the Retained Interest in accordance with paragraph (a) above; (ii) it has failed to comply with the undertakings set out in paragraphs (b) and (c) above in any way; or (iii) any of the representations of the Retention Holder contained in the Retention Undertaking Letter fail to be true on any date.

In addition, pursuant to the terms of the Retention Undertaking Letter, the Investment Manager will represent and warrant that at all times the aggregate outstanding principal amount of Retention Holder Originated Portfolio Assets held by the Issuer shall be more than 50 per cent. of the aggregate outstanding principal amount of all Portfolio Assets held by the Issuer at such time.

"**Retention Holder Originated Portfolio Asset**" means a Portfolio Asset that is sold or transferred to the Issuer and that the Retention Holder has purchased or will purchase for its own account prior to settlement of such Portfolio Asset with the Issuer.

Origination of Retention Holder Originated Portfolio Assets

The Retention Holder has entered into a series of trade confirmations to purchase a portion of the Initial Portfolio from the Seller, settlement of which is to take place from time to time on and after the Issue Date. Simultaneously, the Retention Holder has entered into the Forward Sale Agreement with the Issuer to sell such portion of the Initial Portfolio to the Issuer, which sale will take place on and after the Issue Date (which may be no earlier than 60 calendar days (the "**Seasoning Period**") after the Retention Holder's commitment to purchase from the Seller). Each of the Seller, the Retention Holder and the Issuer have agreed (in a tripartite agreement (the "**Multilateral Netting Agreement**")) that neither trade shall settle until after the Seasoning Period and that settlement shall occur direct to the Issuer. However, in the event that any Portfolio Asset does not as at the Issue Date meet the Eligibility Criteria, including if such obligation becomes defaulted, the Issuer will not be obliged to complete the purchase of the relevant Portfolio Asset and the Portfolio Asset will be acquired by the Retention Holder. The respective prices at which the Issuer will acquire the relevant Portfolio Assets will be as specified in the Forward Sale Agreement; **provided that** if, on the Issue Date, the weighted average of such prices (as set forth in the Forward Sale Agreement) exceeds by 4.0 per cent. or more the weighted average of the then current market values of such Portfolio Assets, then the prices paid by the Issuer for such Portfolio Assets will be the respective then current market values thereof, such determinations of market values to be made by Bosphorus Capital Limited in its capacity as interim investment manager in accordance with the methodology specified therefor in the Forward Sale Agreement. In addition, in the event that the Issuer fails to complete the purchase of the Initial Portfolio on the Issue Date, the portion of the Initial Portfolio subject to the Forward Sale Agreement will be acquired by the Retention Holder.

Prospective Investors to Make Own Assessment

Each prospective investor in the Notes which is subject to the Retention Requirements, the Due Diligence Requirement, Similar Requirements or any other applicable legal, regulatory or other requirements should consult with its own legal, accounting and other advisors and/or its national regulator in determining the extent to which the information set out in this Offering Circular is sufficient for the purpose of complying with the Retention Requirements, the Due Diligence Requirement, Similar Requirements, or any other applicable legal, regulatory or other requirements. Any such prospective investor is required to independently assess and determine the sufficiency of such information.

DESCRIPTION OF THE PORTFOLIO

Capitalised terms used and not otherwise defined herein shall have the meaning given to them in Condition 1 (Definitions) of the Terms and Conditions of the Notes.

Introduction

Pursuant to the Investment Management Agreement, the Investment Manager undertakes to manage the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. In addition, the Collateral Administrator is required to perform certain calculations in relation to the Portfolio on behalf of the Issuer, to the extent and in accordance with the information provided to it by, amongst others, the Investment Manager.

Acquisition of Portfolio Assets

The Issuer has committed to purchase all of the Initial Portfolio Assets pursuant to the Initial Collateral Acquisition Agreements. Approximately 68 per cent. of the Initial Portfolio Assets will be purchased by the Issuer pursuant to the terms of the Forward Sale Agreement and the Multilateral Netting Agreement; and approximately 32 per cent. of the Initial Portfolio Assets will be purchased by the Issuer pursuant to the terms of the Asset Sale Agreement. The Initial Portfolio Assets are expected to have an Aggregate Principal Balance (calculated without regard to prepayments, maturities or redemptions) of at least €275,005,678 (the "**Target Par Amount**") on the Effective Date. Under its arrangements with the Retention Holder and the Seller, interest on each Initial Portfolio Asset accrued from the Issue Date onward shall be for the account of the Issuer. All settlements of Initial Portfolio Assets are expected to occur by the Effective Date. Each Noteholder, by its acceptance thereof, is deemed to have consented to the Issuer's purchase of the Initial Portfolio Assets pursuant to the Initial Collateral Acquisition Agreements.

For purposes of the description of the Initial Portfolio contained in this Offering Circular, including without limitation the results of the Portfolio Profile Tests and the Collateral Quality Tests as at the Initial Measurement Date, Initial Portfolio Assets which the Issuer committed to purchase pursuant to the Initial Collateral Acquisition Agreements but which will have not settled by the Issue Date are included.

The net proceeds of issue of the Notes shall be used by the Issuer on the Issue Date to pay certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes which will be deposited in the Expense Reserve Account on the Issue Date. The remaining net proceeds of issue of the Notes shall be deposited in the Unused Proceeds Account on the Issue Date for application on and after the Issue Date in settlement of the Initial Portfolio Assets which the Issuer committed to acquire pursuant to the Initial Collateral Acquisition Agreements. Except in the case of settlements of commitments made pursuant to the Initial Collateral Acquisition Agreements and in the case of certain limited investments during the Reinvestment Period, the Issuer will not purchase any Portfolio Assets after the Issue Date, provided that an amount equal to €1,155,142 shall be deposited into the Interest Account on the Issue Date.

In addition to, and not in limitation of, the terms of the Investment Management Agreement described below under "*Management of the Portfolio*," the Issuer will not acquire (whether by purchase or substitution) or dispose of a Portfolio Asset, an Exchanged Security or an Eligible Investment unless the following conditions (the "**Portfolio Acquisition and Disposition Requirements**") are satisfied in connection with such acquisition or disposition:

(a) such Portfolio Asset or Eligible Investment, if being acquired by the Issuer, is an Eligible Asset;

(b) such Portfolio Asset, Exchanged Security or Eligible Investment is being acquired or disposed of in accordance with the terms and conditions set forth in the Trust Deed and the Investment Management Agreement;

(c) the acquisition or disposition of such Portfolio Asset, Exchanged Security or Eligible Investment does not result in a reduction or withdrawal of the then current rating issued by any Rating Agency on any Class of Rated Notes then outstanding; and

(d) such Portfolio Asset, Exchanged Security or Eligible Investment is not being acquired or disposed of for the primary purpose of recognising gains or decreasing losses resulting from market value changes.

The Investment Manager, acting on behalf of the Issuer, shall procure that:

(a) the Collateral Administrator compiles and makes available to the Investment Manager and the Accountants, the Effective Date Report; and

(b) an Accountants' Report is obtained and delivered to the Collateral Administrator and the Issuer.

The Investment Manager shall promptly following receipt of the Effective Date Report request that Fitch confirm its Initial Ratings of the Rated Notes; **provided that** if the Effective Date Rating Agency Condition is satisfied then such rating confirmation shall be deemed to have been received from Fitch. If the Effective Date Rating Agency Condition is not satisfied within 30 Business Days following the Effective Date the Investment Manager shall promptly notify Fitch. If (a) the Effective Date Requirements are not satisfied and Rating Agency Confirmation from Fitch has not been received in respect of such failure or (b) where the Effective Date Rating Agency Condition is not satisfied, following a request therefor from the Investment Manager after the Effective Date, Rating Agency Confirmation from Fitch is not received, an Effective Date Rating Event shall have occurred; **provided that** any downgrade or withdrawal of any of the Initial Ratings of the Notes which is not directly related to a request for confirmation thereof or which occurs after confirmation thereof by Fitch shall not constitute an Effective Date Rating Event.

In the event that an Effective Date Rating Event has occurred and is continuing on the second Business Day prior to the Payment Date next following the Effective Date, Interest Proceeds and thereafter Principal Proceeds shall be applied in the redemption of the Rated Notes in accordance with the Priorities of Payment on such Payment Date and thereafter on each Payment Date (to the extent required) in accordance with the Priorities of Payment, in each case until redeemed in full or, if earlier, until an Effective Date Rating Event is no longer continuing, pursuant to Condition 7(d) (*Redemption upon Effective Date Rating Event*). The Investment Manager shall notify Fitch upon the discontinuance of an Effective Date Rating Event.

The Investment Manager will promptly upon determination, and in any event at least three Business Days prior to the anticipated Effective Date, provide to the Issuer, with a copy to each of the Collateral Administrator and the Trustee, details of the Portfolio Assets to be comprised in the Portfolio as at the Effective Date and any later date on which the Initial Ratings of the Rated Notes are confirmed by Fitch.

The Initial Portfolio

The following Initial Portfolio Assets form the Initial Portfolio committed to be purchased by the Issuer on the Issue Date:

Obligor Name	Tranche	Principal Amount (€)	Maturity Date
Peer Holding B.V.	TLB	6,675,124	25 Feb 2022
Norrmalm 3 AB	TLB1	6,675,124	31 May 2021
Axalta Coating Systems Dutch Holding BBV	EUR TL	5,284,777	01 Feb 2020
Financiere Sun SAS	TLB	3,000,000	14 Mar 2023
Nomad Foods Europe Midco	TLC1	4,382,385	30 Jun 2020
BSN Medical Luxembourg Group Holding s.à r.l.	TLC	3,141,235	28 Aug 2019
Yellow Maple Holding B.V.	TLB1	6,675,124	23 Sep 2021
Financiere Mendel SAS	TL B	3,342,813	30 Jun 2021
Constantinople Acquisition GmbH	TLB1	5,808,089	29 Apr 2022
Constantinople Acquisition GmbH	TLB2	867,035	29 Apr 2022

Obligor Name	Tranche	Principal Amount (€)	Maturity Date
Soppa Investments S.a.r.l	First Lien	6,675,124	23 Aug 2021
Redtop Acquisitions Limited	TL	2,500,000	03 Dec 2020
Sodelho SA	TLB1	6,675,124	28 Oct 2021
Diaverum Holding S.a.r.l	TLB (Lux)	1,048,117	01 Apr 2021
Diaverum Holding S.a.r.l	TLB (France)	522,501	01 Apr 2021
Diaverum Holding S.a.r.l	TLC2	3,141,235	01 Apr 2022
Douglas GmbH	TLB	6,675,124	13 Aug 2022
Optima Sub-Finco Limited	TL	4,178,516	30 Jan 2023
Euskaltel, SA	TLB3	3,565,490	11 Nov 2022
Foncia Holding	TLD	5,929,081	26 Jan 2021
Gates Global LLC	First Lien	3,185,398	03 Jul 2021
Ramsay Générale de Santé SA	TLB1A	3,632,053	01 Oct 2020
Desarrollos Empresariales Piera S.L.	TLB2	5,014,219	28 Nov 2021
IMS Health Incorporated	TLB-1	6,660,714	17 Mar 2021
Ineos Finance PLC	2020 Eur TL	2,661,681	15 Dec 2020
Ineos Finance PLC	2022 Euro TL	2,482,029	31 Mar 2022
Trionista Topco	TLB1A3	4,438,043	30 Apr 2020
Trionista Topco	TLB1B3	21,035	30 Apr 2020
Trionista Topco	TLB1C3	1,512,877	30 Apr 2020
Trionista Topco	TLB1E3	64,805	30 Apr 2020
Charger OpCo B.V	TLB-2	5,110,227	02 Jul 2022
Mauser Holding s.à.r.l.	TL	6,658,225	30 Jul 2021
RHM Klinik- und Altenheimbetriebe B.V. & Co. KG	TLB1	4,178,516	27 Oct 2022
AI Garden B.V.	TLB1	2,468,113	13 Feb 2020
Nassa Midco AS	TLB	6,675,124	09 Jul 2021
Numericable-SFR SA	TLB5	1,566,691	29 Jul 2022
PHM France HoldCo 19 SAS	TLB2	6,675,124	30 Oct 2020
PEG GmbH	TL C	4,446,309	30 Aug 2021

Obligor Name	Tranche	Principal Amount (€)	Maturity Date
Greenbird Holding B.V.	TLB	4,805,293	09 Apr 2021
ASA NewCo GmbH	TLB	3,504,292	12 Feb 2021
ASA NewCo GmbH	TLC	2,803,434	01 Apr 2022
SAM BidCo	TLB1	4,210,733	17 Dec 2021
Verisure Holding AB	TLB1	5,849,922	21 Oct 2022
SIG Combibloc PurchaseCo S.à r.l.	TL	6,641,581	13 Mar 2022
Auris Luxembourg III S.à r.l.	TLB1	5,450,096	17 Jan 2022
Solenis International, L.P.	TL	1,662,964	31 Jul 2021
Solera LLC	TLB	3,000,000	03 Mar 2023
Springer Science + Business Media Deutschland GMBH	TLB8	6,658,310	14 Aug 2020
Styrolution Group GmbH	TLB1	6,637,594	07 Nov 2019
Tele Columbus AG	TL A	6,675,124	01 Jan 2021
Telenet International Finance s.a.r.l	TLY	1,404,962	30 Jun 2023
Telenet International Finance s.a.r.l	TLAA	4,178,516	30 Jun 2023
Umv Global Foods Company Ltd.	TL B2	6,267,773	19 Nov 2021
Vedici Investissements	TLB	5,497,161	29 Jul 2022
Horizon Holdings III	TLB	6,675,124	29 Oct 2022
Wind Telecomunicazioni S.P.A.	TLB1	3,838,547	26 Nov 2019
Paternoster Holding IV GmbH	TLB	5,889,815	10 Feb 2022
Ziggo B.V.	TLB1	909,387	17 Jan 2022
Ziggo B.V.	TLB2	585,840	17 Jan 2022
Ziggo B.V.	TLB3	1,646,007	17 Jan 2022
Iglo Foods Bondco Plc	XS1084586822	629,000	15 Jun 2020
Ephios Bondco PLC	XS1117292984	3,759,000	01 Jul 2022
New Look Secured Issuer plc	XS1248517341	6,283,000	01 Jul 2022
Matterhorn Telecom S.A.	XS1219465728	1,242,000	01 May 2022
Matterhorn Telecom S.A.	XS1219467930	1,571,000	01 May 2022
Dry Mix Solutions Investissement S.A.S.	XS1076527875	6,283,000	15 Jun 2021

Obligor Name	Tranche	Principal Amount (€)	Maturity Date
Picard Groupe SAS	XS0956139264	3,534,000	01 Aug 2019
Wind Acquisition Finance S.A	XS1082635712	1,835,000	15 Jul 2020
Wind Acquisition Finance S.A	XS1204622960	864,000	15 Jul 2020

Eligibility Criteria

The Investment Manager, in respect of each Portfolio Asset, is required to determine in accordance with the Investment Management Agreement that the following criteria (the "**Eligibility Criteria**") are satisfied as at the date the Issuer commits to acquire such Portfolio Asset pursuant to the applicable Collateral Acquisition Agreement and, in respect of each Initial Portfolio Asset, on the Issue Date:

(a) it is a Senior Secured Loan or Senior Secured Bond;

(b) it is (i) denominated in Euro and (ii) not convertible into or payable in any other currency;

(c) it is not an obligation which is known by the Investment Manager to be a Defaulted Obligation or a Credit Impaired Obligation and there is no potential event of default under its Underlying Instruments;

(d) it is not an obligation which has a S&P Rating lower than "CCC";

(e) it is not an obligation which has a Fitch Rating lower than "CCC";

(f) it is not a debt obligation that pays scheduled interest less frequently than semi-annually;

(g) it is capable of being sold, novated, assigned or participated to the Issuer, together with any associated security, in accordance with the provisions of the relevant Portfolio Asset without any breach of applicable selling or transfer restrictions or of any legal or contractual provisions or regulatory requirements and the Issuer does not require any authorisations, consents (other than those which it reasonably believes will be obtained), approvals or filings (other than such as have been obtained or effected) as a result of or in connection with any such sale, assignment, novation or participation under any applicable law and the relevant Obligor cannot transfer its rights and/or obligations thereunder without the consent of the Issuer;

(h) it is an obligation of an Obligor or Obligors Domiciled in an Eligible Country;

(i) it is not subject to an offer of exchange, call, optional redemption, mandatory redemption conversion or tender by its Obligor, for cash, securities or any other type of consideration (other than an obligation which would itself constitute a Portfolio Asset);

(j) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments to the Issuer will not be subject to withholding or deduction for or on account of tax imposed by any jurisdiction (other than U.S. withholding taxes on commitment fees, amendment fees, waiver fees, consent fees, letter of credit fees, extension fees, or similar fees) unless either: (i) such withholding or deduction for or on account of tax can be eliminated by application being made under the applicable double tax treaty or pursuant to the provision of any relevant documentation under any domestic legislation; or (ii) the Obligor is required to make "gross up" payments to the Issuer that cover the full amount of any such withholding or deduction on an after-tax basis;

(k) it is not an obligation that by its terms is exchangeable or convertible into equity;

(l) it does not constitute "margin stock" (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);

(m) its acquisition by the Issuer will not result in the imposition of stamp duty 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 obligation;

(n) it is not a debt obligation whose repayment is subject to substantial non-credit related risk or to the non-occurrence of certain catastrophes or which is a catastrophe bond or market value collateral debt obligation;

(o) it must require the consent of at least 50 per cent. of the lenders to the Obligor thereunder for any change that is adverse to the interests of holders thereof to the principal repayment profile or interest applicable on such obligation (for the avoidance of doubt, excluding any changes originally envisaged in the loan documentation), provided that, in the case of a Portfolio Asset that is a bond, such percentage requirement shall refer to the percentage of holders required to approve a resolution on any such matter, either as a percentage of those attending a quorate bondholder meeting or as a percentage of all bondholders acting by way of a written resolution;

(p) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those: (i) which may arise at its option; (ii) which are fully collateralised; (iii) which are subject to limited recourse provisions similar to those set out in the Trust Deed; (iv) which are owed to the agent bank in relation to the performance of its duties under such obligation; or (v) which may arise as a result of an undertaking to participate in a financial restructuring of such obligation where such undertaking is contingent upon the redemption in full of such obligation on or before the time by which the Issuer is obliged to enter into the restructured obligation, to the extent that such liabilities or obligations are able to be provided by the Issuer without breaching any applicable legal and/or regulatory requirements, provided that, in respect of clause (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 obligation;

(q) upon acquisition:

(i) it is capable of being, and will be, the subject of a first fixed charge or a first priority security interest in favour of the Trustee for the benefit of the Secured Parties pursuant to the Trust Deed (or any deed or document supplemental thereto); and

(ii) the Issuer (or the Investment Manager on behalf of the Issuer) has notified the Trustee in the event that it is a bond and is not held through Euroclear or Clearstream, Luxembourg and the Investment Manager (on behalf of the Issuer) is satisfied that the Issuer shall be able to take such action as the Trustee may require to effect a first priority security interest in favour of the Trustee in respect thereof;

(r) it is not a lease (including a financial lease);

(s) it is not a Bridge Loan, a Corporate Rescue Loan, a Current Pay Obligation, a Deferring Security, a Delayed Drawdown Obligation, a High Yield Bond, a Mezzanine Loan, a Non-Senior Secured Bond, a Participation, a PIK Security, a pre-funded letter of credit, a Project Finance Loan, a Revolving Obligation, a Second Lien Loan, a Step-Up Coupon Security, a Step-Down Coupon Security, a Structured Finance Obligation, a Synthetic Security, an Unsecured Loan or a Zero-Coupon Security;

(t) it provides for a fixed amount of principal payable on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;

(u) the Stated Maturity thereof falls prior to the Maturity Date of the Notes;

(v) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;

(w) it is not issued by a sovereign, or by a corporate issuer located in a country, that on the date on which it is acquired by the Issuer imposes foreign exchange controls that effectively limit the availability or use of Euro to make when due the scheduled payments of principal thereof and interest thereon;

(x) it is in registered form for U.S. federal income tax purposes, unless it is not a "registration-required obligation" as defined in Section 163(f) of the Code;

(y) it is not an obligation in respect of which interest payments are scheduled to decrease (although interest payments may decrease due to unscheduled events such as a decrease of the index relating to a floating rate obligation, the change from a default rate of interest to a non-default rate, an improvement in the obligor's financial condition or as a result of the satisfaction of contractual conditions set out in the relevant Underlying Instruments);

(z) it has a S&P Rating and a Fitch Rating;

(aa) it does not have an "f", "r", "p", "pi", "q", "sf" or "t" subscript assigned by S&P; and

(bb) it is an Eligible Asset.

The subsequent failure of any Portfolio Asset to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Portfolio Asset from being a Portfolio Asset so long as such obligation satisfied the Eligibility Criteria when the Issuer or the Investment Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation.

Portfolio Profile Tests and Collateral Quality Tests

Portfolio Profile Tests

The Portfolio Profile Tests will be measured by the Collateral Administrator on each Measurement Date during the Reinvestment Period. Following the Reinvestment Period, the Portfolio Profile Tests will not be tested on an ongoing basis but will be described in each Monthly Report. Such information in the Monthly Reports following the Reinvestment Period will be purely factual, for descriptive purposes only and without any legal or contractual consequences.

The Portfolio Profile Tests will consist of each of the following (the percentage requirements applicable to different types of Portfolio Assets specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Collateral Balance):

(a) the Aggregate Principal Balance of all Senior Secured Loans and/or Senior Secured Bonds shall not be less than 100 per cent. of the Aggregate Collateral Balance (and, for the purposes of this paragraph (a), the Balances standing to the credit of the Principal Account and the Unused Proceeds Account shall be treated as Senior Secured Loans and Senior Secured Bonds);

(b) the Aggregate Principal Balance of all Senior Secured Floating Rate Notes shall not be greater than 10.0 per cent. of the Aggregate Collateral Balance;

(c) the Aggregate Principal Balance of all High Yield Bonds, Non-Senior Secured Bonds, Unsecured Loans, Mezzanine Loans and/or Second Lien Loans shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(d) the Aggregate Principal Balance of all Portfolio Assets that provide for periodic payments of interest thereon in cash less frequently than semi-annually shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(e) the Aggregate Principal Balance of all Fixed Rate Portfolio Assets shall not be greater than 1.8 per cent. of the Aggregate Collateral Balance;

(f) the Aggregate Principal Balance of all Current Pay Obligations shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(g) the Aggregate Principal Balance of all Delayed Drawdown Obligations and Revolving Obligations shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(h) the Aggregate Principal Balance of all Participations shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(i) the Aggregate Principal Balance of all Corporate Rescue Loans shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(j) the Aggregate Principal Balance of all Cov-Lite Loans shall not be greater than 41.6 per cent. of the Aggregate Collateral Balance;

(k) the Aggregate Principal Balance of all PIK Securities shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(l) the Aggregate Principal Balance of all Bridge Loans shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(m) the Aggregate Principal Balance of all Portfolio Assets that are pre-funded letters of credit shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(n) the Aggregate Principal Balance of all Senior Secured Loans and/or Senior Secured Bonds of a single Obligor shall not be greater than 2.4 per cent. of the Aggregate Collateral Balance;

(o) the Aggregate Principal Balance of all Portfolio Assets (other than Senior Secured Loans and/or Senior Secured Bonds) of a single Obligor shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(p) not more than 17.7 per cent. of the Aggregate Collateral Balance shall be obligations comprising any one Fitch Industry Category and the Aggregate Collateral Balance of obligations comprising the three Fitch Industry Categories having the largest Aggregate Collateral Balance of Portfolio Assets comprised therein shall not be greater than 37.4 per cent. of the Aggregate Collateral Balance;

(q) not more than 18.9 per cent. of the Aggregate Collateral Balance shall be obligations comprising any one S&P Industry Category and the Aggregate Collateral Balance of obligations comprising the three S&P Industry Categories having the largest Aggregate Collateral Balance of Portfolio Assets comprised therein shall not be greater than 41.8 per cent. of the Aggregate Collateral Balance;

(r) the Aggregate Principal Balance of all Fitch CCC Obligations shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(s) the Aggregate Principal Balance of all S&P CCC Obligations shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(t) the Aggregate Principal Balance of all Portfolio Assets whose S&P Rating is derived from a Moody's Rating shall not be greater than 0 per cent. of the Aggregate Collateral Balance;

(u) the Aggregate Principal Balance of all Portfolio Assets of Obligors who are Domiciled in jurisdictions with a country ceiling rating below "AAA" by Fitch shall not be greater than 3.1 per cent. of the Aggregate Collateral Balance;

(v) the Aggregate Principal Balance of all Portfolio Assets of Obligors who are Domiciled in jurisdictions rated below "A-"by S&P shall not be greater than 5.5 per cent. of the Aggregate Collateral Balance;

(w) the Aggregate Principal Balance of all Portfolio Assets of Obligors who are Domiciled in any one Eligible Country shall not be greater than 25.1 per cent. of the Aggregate Collateral Balance and the Aggregate Principal Balance of all Portfolio Assets of Obligors who are Domiciled in any four Eligible Countries shall not be greater than 68.8 per cent. of the Aggregate Collateral Balance; and

(x) the Aggregate Principal Balance of all Portfolio Assets issued by Obligors each of which has total original indebtedness (including (i) to the extent that a Portfolio Asset is part of a security or credit facility, indebtedness of the entire security or credit facility of which such Portfolio Asset is part and (ii) the maximum available amount or total commitment under any revolving or delayed funding loans) under their respective loan agreements and other Underlying Instruments of less than EUR 150,000,000 (or its equivalent in any currency), in each case as notified in writing by the Investment Manager, shall not be greater than 0 per cent. of the Aggregate Collateral Balance.

For the purposes of the Portfolio Profile Tests:

"**Fitch Industry Category**" means each of the categories listed below plus any other industry category published by Fitch minus any industry category which is no longer used by Fitch at the relevant point in time:

Aerospace and Defence
Automobiles
Banking and Finance
Broadcasting and Media
Building and Materials
Business Services
Cable
Chemicals
Computer and Electronics
Consumer Products
Energy
Environmental Services
Farming and Agricultural Services
Food and Beverage and Tobacco
Food and Drug Retail
Gaming and Leisure and Entertainment
Healthcare
Industrial/Manufacturing
Lodging and Restaurants
Metals and Mining
Packaging and Containers
Paper and Forest Products
Pharmaceuticals
Real Estate
Retail (General)
Supermarkets and Drugstores
Telecommunications
Textiles and Furniture
Transportation
Utilities

"**S&P Industry Category**" means each of the categories listed below or as otherwise modified, amended or replaced by S&P from time to time:

Asset Code	**Asset Description**
1	Aerospace & Defence
2	Air transport
3	Automotive
4	Beverage & Tobacco
5	Radio & Television
7	Building & Development
8	Business equipment & services
9	Cable & satellite television
10	Chemicals & plastics
11	Clothing/textiles
12	Conglomerates
13	Containers & glass products
14	Cosmetics/toiletries
15	Drugs
16	Ecological services & equipment
17	Electronics/electrical
18	Equipment leasing
19	Farming/agriculture
20	Financial Intermediaries
21	Food/drug retailers

22	Food products
23	Food service
24	Forest products
25	Health care
26	Home furnishings
27	Lodging & casinos
28	Industrial equipment
30	Leisure goods/activities/movies
31	Nonferrous metals/minerals
32	Oil & gas
33	Publishing
34	Rail industries
35	Retailers (except food & drug)
36	Steel
37	Surface transport
38	Telecommunications
39	Utilities
40	Mortgage REITs
41	Equity REITs and REOCs
43	Life Insurance
44	Health Insurance
45	Property & Casualty Insurance
46	Diversified Insurance

Collateral Quality Tests

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

(a) so long as any Notes rated by S&P are Outstanding:

(i) the S&P Minimum Weighted Average Recovery Rate Test; and

(ii) until the expiry of the Reinvestment Period only, the S&P CDO Monitor Test;

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

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

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

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

(i) the Minimum Weighted Average Floating Spread Test;

(ii) the Minimum Weighted Average Fixed Coupon Test; and

(iii) the Maximum Weighted Average Life Test.

The Collateral Quality Tests will be measured by the Collateral Administrator as at the Issue Date and the failure of such characteristics on such date to meet the values thereof as at the Initial Measurement Date may have an adverse impact on the ratings of the Notes. The Collateral Quality Tests will also be measured by the Collateral Administrator on each Measurement Date during the Reinvestment Period. Following the Reinvestment Period, the Collateral Quality Tests will not be tested on an ongoing basis but will be described in each Monthly Report. Such information in the Monthly Reports following the Reinvestment Period will be purely factual, for descriptive purposes only and without any legal or contractual consequences.

For purposes of the Collateral Quality Tests:

The S&P Minimum Weighted Average Recovery Rate Test

The "**S&P Minimum Weighted Average Recovery Rate Test**" means the test that will be satisfied on any Measurement Date from (and including) the Effective Date if the S&P Weighted Average Recovery Rate is greater than or equal to 35.15.

"**S&P Weighted Average Recovery Rate**" means, as of any date of determination, the number (expressed as a percentage) obtained by summing the products obtained by multiplying the Principal Balance (excluding Purchased Accrued Interest) of each Portfolio Asset (other than any Defaulted Obligation) by its S&P Recovery Rate, dividing such sum by the Aggregate Principal Balance of all Portfolio Assets and rounding up to the nearest 0.01 per cent.

"**S&P Recovery Rate**" means, in respect of each Portfolio Asset (other than any Defaulted Obligation), an S&P Recovery Rate determined in accordance with the Investment Management Agreement or as advised by S&P. Extracts of the S&P Recovery Rates currently applicable under the Investment Management Agreement are set out in Annex B (*S&P Recovery Rate*) of this Offering Circular.

The S&P CDO Monitor Test

The "**S&P CDO Monitor Test**" will be satisfied on any date of determination on or after the Effective Date and during the Reinvestment Period following receipt by the Investment Manager or the Collateral Administrator from S&P of the S&P CDO Monitor Input File to the S&P CDO Monitor if, after giving effect to the purchase of any additional Portfolio Asset, the S&P CDO Monitor Adjusted BDR is equal to or greater than the S&P CDO Monitor SDR. The S&P CDO Monitor Test shall only be applicable to the junior-most Class of Notes rated "AAA".

"**S&P CDO Monitor**" means the dynamic, analytical computer model developed by S&P and used to estimate default risk of Portfolio Assets and provided to the Investment Manager on or before the Issue Date, as it may be modified by S&P from time to time. The S&P CDO Monitor calculates the cumulative default rate of a pool of Portfolio Assets and Eligible Investments consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. In calculating the scenario default rate in respect of a Class of Notes, the S&P CDO Monitor considers each Obligor's issuer credit rating, the number of Obligors in the portfolio, the Obligor and industry concentrations in the portfolio and the remaining weighted average maturity of the Portfolio Assets and Eligible Investments and calculates a cumulative default rate based on the statistical probability of distributions or defaults on the Portfolio Assets and Eligible Investments.

"**S&P CDO Monitor Adjusted BDR**" means the threshold value for the S&P CDO Monitor Test, calculated as a percentage by adjusting the S&P CDO Monitor BDR for changes in the Principal Balance of the Portfolio Assets relative to the Target Par Amount as follows:

S&P CDO Monitor BDR * (OP / NP) + (NP - OP) / NP * (1 – S&P Weighted Average Recovery Rate), where OP = Target Par Amount; and NP = the sum of the Aggregate Principal Balances of the Portfolio Assets , Principal Proceeds, and the sum of the products of the lower of the S&P Recovery Rate or the Market Value of each obligation with an S&P Rating below "CCC-" and the Principal Balance of the relevant obligation.

"**S&P CDO Monitor BDR**" means the value calculated using the formula provided by S&P at closing:

S&P CDO Monitor BDR = C0 + (C1 * Weighted Average Spread) + (C2 * S&P Weighted Average Recovery Rate).

C0, C1 and C2 will not change unless S&P provides an updated S&P CDO Monitor Input File at the request of the Investment Manager following the Issue Date.

"**S&P CDO Monitor SDR**" means the percentage derived from the following equation: 0.329915 + (1.210322* EPDR) – (0.586627* DRD) + (2.538684/ODM) + (0.216729/ IDM) + (0.0575539/ RDM) – (0.0136662* WAL), where EPDR is the S&P Expected Portfolio Default Rate; DRD is the S&P Default Rate Dispersion; ODM is the S&P Obligor Diversity Measure; IDM is the S&P Industry Diversity Measure; RDM is the S&P Regional Diversity Measure; and WAL is the Weighted Average Life.

"**S&P Default Rate**" means, with respect to all Portfolio Assets, the default rate determined in accordance with Annex C (*S&P Default Rate Table*) of this Offering Circular using such Portfolio Asset's S&P Rating and the number of years to maturity (determined using linear interpolation if the number of years to maturity is not an integer).

"**S&P Default Rate Dispersion**" means, with respect to all Portfolio Assets, (a) the sum of the product of (i) the Principal Balance of each such Portfolio Asset and (ii) the absolute value of (x) the S&P Default Rate minus (y) the S&P Expected Portfolio Default Rate divided by (b) the Aggregate Principal Balance for all such Portfolio Assets.

"**S&P Expected Portfolio Default Rate**" means, with respect to all Portfolio Assets, (a) the sum of the product of (i) the Principal Balance of each such Portfolio Asset and (ii) the S&P Default Rate divided by (b) the Aggregate Principal Balance for all such Portfolio Assets.

"**S&P Industry Diversity Measure**" means a measure calculated by determining the Aggregate Principal Balance of the Portfolio Assets within each S&P Industry Classification in the Portfolio, then dividing each of these amounts by the Aggregate Principal Balance of the Portfolio Assets from all the S&P Industry Classifications in the Portfolio, squaring the result for each industry, then taking the reciprocal of the sum of these squares.

"**S&P Obligor Diversity Measure**" means a measure calculated by determining the Aggregate Principal Balance of the Portfolio Assets from each obligor and its affiliates, then dividing each such Aggregate Principal Balance by the Aggregate Principal Balance of Portfolio Assets from all the Obligors in the Portfolio, then squaring the result for each Obligor, then taking the reciprocal of the sum of these squares.

"**S&P Regional Diversity Measure**" means a measure calculated by determining the Aggregate Principal Balance of the Portfolio Assets within each S&P region set forth in Annex D of this Offering Circular, then dividing each of these amounts by the Aggregate Principal Balance of the Portfolio Assets from all S&P regions in the portfolio, squaring the result for each region, then taking the reciprocal of the sum of these squares.

The Fitch Maximum Weighted Average Rating Factor Test

The "**Fitch Maximum Weighted Average Rating Factor Test**" means the test that will be satisfied on any Measurement Date from (and including) the Effective Date if the Fitch Weighted Average Rating Factor as at such date is less than or equal to 33.48.

"**Fitch Weighted Average Rating Factor**" is the number determined by summing the products obtained by multiplying the Principal Balance of each Portfolio Asset by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Portfolio Assets and rounding the result to the nearest two decimal places.

"**Fitch Rating Factor**" means, in respect of any Portfolio Asset, the number set out in the table below opposite the Fitch Rating in respect of such Portfolio Asset. The following table provides certain probabilities of default relating to Fitch Rating Factors. The information is subject to change and any probabilities of default in respect of Fitch Rating Factors may not at any time necessarily reflect the below table.

Fitch Rating	Fitch Rating Factor
AAA	0.19
AA+	0.35
AA	0.64
AA-	0.86
A+	1.17
A	1.58
A-	2.25
BBB+	3.19
BBB	4.54
BBB-	7.13
BB+	12.19
BB	17.43
BB-	22.80
B+	27.80
B	32.18
B-	40.60
CCC+	62.80
CCC	62.80
CCC-	62.80
CC	100.00
C	100.00
D	100.00

The Fitch Minimum Weighted Average Recovery Rate Test

The "**Fitch Minimum Weighted Average Recovery Rate Test**" means the test that will be satisfied on any Measurement Date from (and including) the Effective Date if the Fitch Weighted Average Recovery Rate is greater than or equal to 68.64.

"**Fitch Weighted Average Recovery Rate**" means, as of any date of determination, the rate (expressed as a percentage) determined by summing the products obtained by multiplying the Principal Balance of each Portfolio Asset by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Portfolio Assets and rounding to the nearest 0.01 per cent.

"**Fitch Recovery Rate**" means, with respect to a Portfolio Asset, the recovery rate determined in accordance with paragraphs (a) to (d) (inclusive) below, or (in any case) such other recovery rate as Fitch may notify the Investment Manager from time to time:

(a) if such Portfolio Asset has a public Fitch recovery rating, or a recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager, the recovery rate corresponding to such recovery rating in the table below (unless a specific recovery rate (expressed as a percentage) is provided by Fitch):

Fitch recovery rating	Fitch recovery rate (per cent.)
RR1	95
RR2	80
RR3	60
RR4	40
RR5	20
RR6	5

(b) if such Portfolio Asset is a Corporate Rescue Loan and has neither a public Fitch recovery rating, nor a recovery rating assigned to it by Fitch in the context of provision by Fitch of a credit opinion, the Issuer or the Investment Manager on behalf of the Issuer shall apply to Fitch for a Fitch recovery rating, **provided that** the Fitch recovery rating in respect of such Corporate Rescue Loan shall be considered to be "RR3" pending provision by Fitch of such Fitch recovery rating, and the recovery rate applicable to such Corporate Rescue Loan shall be the recovery rate corresponding to such Fitch recovery rating in the table above;

(c) if such Portfolio Asset has no public Fitch recovery rating, no recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager, is not a Corporate

Rescue Loan and has 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 (per cent.)
1+	95
1	95
2	80
3	60
4	40
5	20
6	5

and

(d) if such Portfolio Asset has no public Fitch recovery rating, no recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Investment Manager, is not a Corporate Rescue Loan and has no public S&P recovery rating, (x) if such Portfolio Asset is a Senior Secured Loan or Senior Secured Bond, the recovery rate applicable to such Senior Secured Loan or Senior Secured Bond shall be the recovery rate corresponding to the Fitch recovery rating of "RR3" in the table above and (y) otherwise, the recovery rate determined in accordance with the table below, where the Portfolio Asset shall be categorised as "**Strong Recovery**" if it is a Senior Secured Loan, "**Moderate Recovery**" if it is an Unsecured Loan and otherwise "**Weak Recovery**", and shall fall into the country group corresponding to the country in which the Obligor is domiciled:

	Group A	Group B	Group C	Group D
Strong Recovery	75 per cent.	55 per cent.	45 per cent.	35 per cent.
Moderate Recovery	45 per cent.	40 per cent.	30 per cent.	25 per cent.
Weak Recovery	20 per cent.	5 per cent.	5 per cent.	5 per cent.

The country group of a Portfolio Asset shall be determined, by reference to the country where it is Domiciled, in accordance with the below:

Group A: Australia, Austria, Bahamas, Bermuda, Canada, Cayman Islands, Denmark, Finland, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Japan, Jersey, Liechtenstein, Netherlands, New Zealand, Norway, Singapore, South Korea, Sweden, Switzerland, Taiwan, the UK, the US.

Group B: Belgium, France, Italy, Luxembourg, Portugal, Spain.

Group C: Bulgaria, Costa Rica, Chile, Croatia, Czech Republic, Estonia, Hungary, Israel, Latvia, Lithuania, Malaysia, Malta, Mauritius, Mexico, Poland, Slovakia, Slovenia, South Africa, Thailand, Tunisia, Uruguay.

Group D: Albania, Argentina, Asia Others, Barbados, Bosnia and Herzegovina, Brazil, China, Colombia, Cyprus, Dominican Republic, Eastern Europe Others, Ecuador, Egypt, El Salvador, Greece, Guatemala, India, Indonesia, Iran, Jamaica, Kazakhstan, Liberia, Macedonia, Marshall Islands, Middle East and North Africa Others, Moldova, Morocco, Other Central America, Other South America, Other Sub-Saharan Africa, Pakistan, Panama, Peru, Philippines, Puerto Rico, Qatar, Romania, Russia, Saudi Arabia, Serbia and Montenegro, Turkey, Ukraine, Venezuela, Vietnam.

The Minimum Weighted Average Floating Spread Test

The "**Minimum Weighted Average Floating Spread Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date the Weighted Average Floating Spread as at such Measurement Date equals or exceeds the Minimum Weighted Average Floating Spread as at such Measurement Date.

The "**Minimum Weighted Average Floating Spread**", as of any Measurement Date, will equal 4.41 per cent.

The "**Weighted Average Floating Spread**" as of any date of determination, is the number obtained by dividing: (a) the amount equal to the Aggregate Spread by (b) an amount equal to the Aggregate Principal Balance of all Floating Rate Portfolio Assets as of such date of determination (excluding (i) Defaulted Obligations and (ii) for any Deferring Security, any interest that has been deferred and capitalised thereon).

The "**Aggregate Spread**" is, as of any date of determination, the sum of the products obtained by multiplying:

(a) in the case of each Floating Rate Portfolio Asset (excluding Defaulted Obligations and Deferring Securities) that bears interest at a spread over EURIBOR, an amount equal to X multiplied by Y; where,

"**X**" is the stated interest rate spread above EURIBOR on the relevant Floating Rate Portfolio Asset or, in the case of any Floating Rate Portfolio Asset that has a EURIBOR floor, the stated interest rate spread above EURIBOR on the relevant Floating Rate Portfolio Asset, *plus* the EURIBOR Floor Benefit; and

"**Y**" is the Principal Balance of the relevant Portfolio Asset; and

(b) in the case of each Floating Rate Portfolio Asset (excluding Defaulted Obligations and Deferring Securities) that bears interest at a spread over a floating benchmark rate other than EURIBOR, (i) the excess of the sum of such spread and such floating benchmark rate over EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the Principal Balance of each such Portfolio Asset.

"**EURIBOR Floor Benefit**" means, in respect of any Floating Rate Portfolio Asset that has a EURIBOR floor (i) for so long as EURIBOR is not less than zero, the amount, if positive, equal to (x) the EURIBOR floor value *minus* (y) EURIBOR as in effect for the current Interest Period; and (ii) otherwise, the EURIBOR floor value.

For purposes of calculating the Weighted Average Floating Spread, (i) the spread of any Portfolio Asset shall be excluded from such calculation to the extent that the Issuer or the Investment Manager has actual knowledge that payment of interest on such Portfolio Asset will not be made by the Obligor thereof during the applicable due period and (ii) in the case of any Portfolio Asset the interest payments of which are permitted to decrease as a result of the satisfaction of contractual conditions set out in the relevant Underlying Instrument, the spread of such Portfolio Asset shall be the lowest permissible spread pursuant to such Underlying Instrument.

The Weighted Average Floating Spread shall be expressed as a percentage and shall be rounded up to the next 0.01 per cent.

The Minimum Weighted Average Fixed Coupon Test

The "**Minimum Weighted Average Fixed Coupon Test**" means the test which will be satisfied if, as at any Measurement Date, the Weighted Average Fixed Coupon as at such Measurement Date plus the Excess Weighted Average Spread as at such Measurement Date equals or exceeds the Minimum Weighted Average Fixed Coupon as at such Measurement Date.

"**Minimum Weighted Average Fixed Coupon**" means if any of the Portfolio Assets are Fixed Rate Portfolio Assets 5.66 per cent. and otherwise zero per cent.

"**Excess Weighted Average Spread**" means a percentage equal as of any Measurement Date to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Floating Spread over the Minimum Weighted Average Floating Spread by (b) the number obtained by dividing the aggregate outstanding Principal Balance of all Floating Rate Portfolio Assets by the aggregate outstanding Principal Balance of all Fixed Rate Portfolio Assets.

"**Weighted Average Fixed Coupon**" as of any Measurement Date will equal a fraction (expressed as a percentage) obtained by dividing:

(a) the amount equal to the Aggregate Fixed Coupon, by

(b) an amount equal to the Aggregate Principal Balance of all Fixed Rate Portfolio Assets as of such Measurement Date (excluding (i) Defaulted Obligations and (ii) for any Deferring Security, any interest that has been deferred and capitalised thereon), and provided further that for the purposes of this sum (b) only and for purposes other than calculating the S&P CDO Monitor Test, the Principal Balance of Discount Obligations shall be their outstanding principal balance multiplied by their purchase price,

in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty or otherwise and rounding the result up to the nearest 0.01 per cent.

The "**Aggregate Fixed Coupon**" is, as of any Measurement Date, the sum of the products obtained by multiplying:

(a) the Principal Balance of each Fixed Rate Portfolio Asset (excluding Defaulted Obligations) held by the Issuer as at such Measurement Date; by

(b) its stated coupon,

in each case excluding, in respect of each Portfolio Asset held by the Issuer in respect of such Measurement Date, any interest which has been contractually deferred pursuant to its terms.

The "**Weighted Average Spread**", as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to (A) the Aggregate Spread plus (B) the Aggregate Fixed Coupon; by

(b) an amount equal to the Aggregate Principal Balance as of such Measurement Date (excluding Defaulted Obligations and Deferring Securities),

in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither gross up nor recoverable under any applicable double tax treaty or otherwise. The Weighted Average Spread shall be expressed as a percentage and shall be rounded up to the nearest 0.01 per cent.

The Maximum Weighted Average Life Test

The "**Maximum Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than the number of years (rounded to the nearest one hundredth thereof) during the period from such Measurement Date to 15 February 2022.

"**Average Life**" is, on any date of determination with respect to any Portfolio Asset, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such date of determination to the respective dates of each successive scheduled distribution of principal of such Portfolio Asset and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Portfolio Asset.

"**Weighted Average Life**" is, as of any date of determination with respect to all Portfolio Assets (other than Defaulted Obligations), the number of years following such date obtained by dividing (i) the sum of the products obtained for each such Portfolio Asset by multiplying (a) the Average Life at such time of each such Portfolio Asset by (b) the Principal Balance of such Portfolio Asset by (ii) the Aggregate Principal Balance at such time of all Portfolio Assets other than Defaulted Obligations.

Ratings Definitions

"**Fitch Rating**" means, with respect to any Portfolio Asset, as of any date of determination, the rating determined as follows:

(a) if such Portfolio Asset is not a Corporate Rescue Loan:

(i) with respect to any Portfolio Asset in respect of which there is a Fitch issuer default rating, including credit opinions, whether public or privately provided to the Investment Manager following notification by the Investment Manager that the Issuer has entered into a binding commitment to acquire such Portfolio Asset (the "**Fitch Issuer Default Rating**"), the Fitch Rating shall be such Fitch Issuer Default Rating;

(ii) 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;

(iii) 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;

(iv) if in respect of the Portfolio Asset there is a Moody's CFR, a Moody's Long Term Issuer Rating or an S&P Issuer Credit Rating, then the Fitch Rating shall be the rating that corresponds to the lowest thereof;

(v) if in respect of the Portfolio Asset, there is an Insurance Financial Strength Rating, then the Fitch Rating shall be one notch lower than such Insurance Financial Strength Rating;

(vi) if in respect of the Portfolio Asset there is a Moody's/S&P Corporate Issue Rating, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating; or

(vii) if a Fitch Rating cannot otherwise be assigned, the Investment Manager, on behalf of the Issuer, shall apply to Fitch for a credit opinion which shall then be the Fitch Rating or shall agree a rating with Fitch which shall then be the Fitch Rating, provided that pending receipt from Fitch of any credit opinion, the applicable Portfolio Asset shall either be deemed to have a Fitch Rating of "B-", subject to the Investment Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment; or

(b) if such Portfolio Asset is a Corporate Rescue Loan:

(i) if such Corporate Rescue Loan has a publicly available rating from Fitch or has been assigned an issue-level credit assessment by Fitch, the Fitch Rating shall be such rating or credit assessment;

(ii) otherwise the Issuer or the Investment Manager (acting on behalf of the Issuer) shall apply to Fitch for an issue- level credit assessment provided that, pending receipt from Fitch of any issue-level credit assessment, the applicable Corporate Rescue Loan shall either be deemed to have a Fitch Rating of "B-", subject to the Investment Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment.

For the purposes of determining the Fitch Rating, the following definitions shall apply, **provided always that** (x) if the applicable Portfolio Asset has been put on rating watch negative or negative credit watch for possible downgrade by any Rating Agency, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by that Rating Agency, and (y) if such Portfolio Asset has been put on negative outlook by any Rating Agency, then the rating used to determine the Fitch Rating above shall be such rating by that Rating Agency, and (z) notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Portfolio Assets at any time.

"**Fitch IDR Equivalent**" means, in respect of any rating described in the Fitch Rating Mapping Table, the equivalent Fitch Issuer Default Rating determined by increasing (or reducing, in the case of a negative number) such rating (or the nearest Fitch equivalent thereof) by the number of notches specified under "Mapping Rule" in the fourth column of the Fitch Rating Mapping Table.

"**Fitch Rating Mapping Table**" means the following table:

Rating Type	Applicable Rating Agency(ies)	Issue rating	Mapping Rule
Corporate family rating or long term issuer rating	Moody's	n/a	+0
Issuer credit rating	S&P	n/a	+0
Senior unsecured	Fitch, Moody's or S&P	Any	+0
Senior secured or subordinated	Fitch or S&P	"BBB-" or above	+0
Senior secured or subordinated	Fitch or S&P	"BB+" or below	-1
Senior secured or subordinated	Moody's	"Ba1" or above	-1
Senior secured or subordinated	Moody's	"Ba2" or below, but above "Ca"	-2
Senior secured or subordinated	Moody's	"Ca"	-1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B+" / "B1" or above	+1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B" / "B2" or below	+2

"**Insurance Financial Strength Rating**" means, in respect of a Portfolio Asset, the lower of any applicable public insurance financial strength rating by S&P or Moody's in respect thereof.

"**Moody's CFR**" means, in respect of a Portfolio Asset, a publicly available corporate family rating by Moody's in respect of the Obligor thereof.

"**Moody's Long Term Issuer Rating**" means, in respect of a Portfolio Asset, a publicly available long term issuer rating by Moody's in respect of the Obligor thereof.

"**Moody's/S&P Corporate Issue Rating**" means, in respect of a Portfolio Asset, the lower of the Fitch IDR Equivalent ratings, determined in accordance with the Fitch Rating Mapping Table, corresponding to any outstanding publicly available issue rating by Moody's and/or S&P in respect of any other obligation of the Obligor or any of its Affiliates.

"**S&P Issuer Credit Rating**" means, in respect of a Portfolio Asset, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

"**S&P Rating**" means, with respect to any Portfolio Asset, as of any determination date, the rating determined in accordance with the following methodology:

(a) if there is an issuer credit rating of the issuer of such Portfolio Asset by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees such Portfolio Asset pursuant to a form of guarantee approved by S&P for use in connection with the Transaction, then the S&P Rating shall be such rating (regardless of whether there is a published rating by S&P on the Portfolio Assets of such issuer held by the Issuer, provided that private ratings (that is, ratings provided at the request of the Obligor) may be used for purposes of this definition if the related Obligor has consented to the disclosure thereof and a copy of such consent has been provided to S&P);

(b) if there is no issuer credit rating of the issuer or guarantor by S&P but:

  (i) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Portfolio Asset shall be one sub-category (if such rating is "BBB-" or above) or two sub-categories (if such rating is below "BBB-") below such rating;

  (ii) if clause (i) above does not apply, but there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Portfolio Asset shall equal such rating; and

  (iii) if neither clause (i) nor clause (ii) above applies, but there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Portfolio Asset shall be one sub-category above such rating;

(c) with respect to any Portfolio Asset that is a Current Pay Obligation, the S&P Rating applicable to such obligation shall be the issue level rating thereof, and if there is not such issue level rating, the S&P Rating applicable to such Current Pay Obligation shall be "CCC-";

(d) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined pursuant to clauses (i) through (iii) below:

(i) if an obligation of the issuer is publicly rated by Moody's, then the S&P Rating will be determined in accordance with the methodology for establishing the S&P rating set forth in paragraph (b) above but by reference to the Moody's equivalent ratings, except that the S&P Rating of such obligation will be (1) one sub-category below the S&P equivalent of the Moody's rating if such Moody's rating is "Baa3" or higher and (2) two sub-categories below the S&P equivalent of the Moody's rating if such Moody's rating is "Ba1" or lower; provided that in each case, the S&P Rating will be a further sub-category below the S&P equivalent of the Moody's rating of the applicable obligation if the relevant Moody's rating is on "credit watch negative" by Moody's; and provided further that Portfolio Assets with an Aggregate Principal Balance comprising not more than 10 per cent. of the Aggregate Collateral Balance (for which purpose, the Principal Balance of each Defaulted Obligation shall be its S&P Collateral Value and the Principal Balance of each Portfolio Asset that does not have an S&P Rating (other than the Portfolio Asset for which the S&P Rating therefor is being determined in accordance with this definition) shall be excluded) may be assigned an S&P Rating under this paragraph (c)(i); or

(ii) the S&P Rating may be based on a credit estimate provided by S&P, and in connection therewith, the Issuer, the Investment Manager on behalf of the Issuer or the issuer of such Portfolio Asset shall, prior to or within 30 days after the acquisition of such Portfolio Asset, apply (and concurrently submit all available information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating; provided that, if such information is submitted within such 30-day period, then, for a period of up to 90 days after acquisition of such Portfolio Asset by the Issuer and pending receipt from S&P of such estimate, such Portfolio Asset shall have an S&P Rating as determined by the Investment Manager in its sole discretion if (A) the Investment Manager certifies to the Issuer and the Collateral Administrator that it believes that such S&P Rating determined by the Investment Manager is commercially reasonable and that the S&P Rating will be at least equal to such rating and (B) the Aggregate Principal Balance of the Portfolio Assets subject to a S&P Rating determined by the Investment Manager in accordance with (A) does not exceed 5 per cent. of the Aggregate Principal Balance (for which purpose, the Principal Balance of each Defaulted Obligation shall be its S&P Collateral Value and the Principal Balance of each Portfolio Asset that does not have an S&P Rating (other than the Portfolio Asset for which the S&P Rating therefor is being determined in accordance with this definition) shall be excluded); provided further that (x) if such information is not submitted within such 30-day period and (y) following the end of the 90-day period set forth above, pending receipt from S&P of such estimate, the Portfolio Asset shall have no S&P Rating; unless, in the case of clause (y) above, during such 90-day period, the Investment Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; provided further that if the Portfolio Asset has had a public rating by S&P that S&P has withdrawn or suspended within six months prior to the date of such application for a credit estimate in respect of such Portfolio Asset, the S&P Rating in respect thereof shall be "CCC-" pending receipt from S&P of such estimate, and S&P may elect not to provide such estimate until a period of six months has elapsed after the withdrawal or suspension of the public rating; provided further that such credit estimate shall expire 12 months after the acquisition of such Portfolio Asset, following which such Portfolio Asset shall have no S&P Rating unless, during such 12-month period, the Issuer (or the Investment Manager acting on behalf of the Issuer) applies for renewal thereof in accordance with the Investment Management Agreement in which case such credit estimate shall continue to be the S&P Rating of such Portfolio Asset until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Portfolio Asset; provided further that such confirmed or revised credit estimate shall expire on the next succeeding 12-month anniversary of the date of the acquisition of such Portfolio Asset and (when renewed annually in accordance with the Investment Management Agreement) on each 12-month anniversary thereafter,

provided that, (x) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating, (y) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating and (z) only ratings assigned on the basis of ongoing surveillance will be applicable for the purposes of this definition.

The Coverage Tests

The coverage tests (the "**Coverage Tests**") will consist of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test, the Class F Par Value Test, the Class A/B Interest Coverage Test, the Class C Interest Coverage Test and the Class D 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, or whether Interest Proceeds and, to the extent needed, Principal Proceeds which would otherwise be used to pay interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes must instead be used to pay principal of the Class A Notes and after redemption in full thereof, principal of the Class B Notes in the event of failure to satisfy the Class A/B Coverage Tests or, in the event of failure to satisfy the Class C Coverage Tests, to pay principal of the Class A Notes, and after redemption in full thereof, principal of the Class B Notes and, after redemption in full thereof, principal of the Class C Notes or, in the event of failure to satisfy the Class D Coverage Tests, to pay principal of the Class A Notes and after redemption in full thereof, principal of the Class B Notes and after redemption in full thereof, principal of the Class C Notes and after redemption in full thereof, principal of the Class D Notes or, in the event of failure to satisfy the Class E Par Value Test, to pay principal of the Class A Notes and after redemption in full thereof, principal of the Class B Notes and after redemption in full thereof, principal of the Class C Notes and after redemption in full thereof, principal of the Class D Notes and after redemption in full thereof, principal of the Class E Notes or, in the event of failure to satisfy the Class F Par Value Test, to pay principal of the Class A Notes and after redemption in full thereof, principal of the Class B Notes and after redemption in full thereof, principal of the Class C Notes and after redemption in full thereof, principal of the Class D Notes and after redemption in full thereof, principal of the Class E Notes and after redemption in full thereof, principal of the Class F Notes.

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

Coverage Test and Ratio	Percentage at which Test is satisfied (per cent.)
Class A/B Par Value	132.30
Class A/B Interest Coverage	120.00
Class C Par Value	121.00
Class C Interest Coverage	110.00
Class D Par Value	114.35
Class D Interest Coverage	105.00
Class E Par Value	107.75
Class F Par Value	105.25

For the purposes of calculating the Interest Coverage Ratios, the expected interest income on Portfolio Assets, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the applicable Classes of Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

Calculation of Portfolio Profile Tests, Collateral Quality Tests and Coverage Tests

With respect to the calculation of the Portfolio Profile Tests, Collateral Quality Tests and Coverage Tests, (a) obligations which are to constitute Portfolio Assets and/or Substitute Portfolio Assets in respect of which a binding commitment has been made to purchase such obligations and/or Substitute Portfolio Assets but such purchase has not been settled shall nonetheless be deemed to have been purchased; (b) Portfolio Assets and/or Substitute Portfolio Assets in respect of which a binding commitment has been made to sell such Portfolio Asset and/or Substitute Portfolio Assets but such sale has not yet settled shall nonetheless be deemed to have been sold and, in either case, without double counting any such Portfolio Assets and/or Substitute Portfolio Assets and any cash payments to be made, or as the case may be, received.

Management of the Portfolio

Overview

The Investment Manager will, pursuant to the Investment Management Agreement (and subject to the detailed provisions thereof), have power in the name of the Issuer and on behalf of the Issuer:

(a) to effect the settlement of Portfolio Assets purchased by the Issuer and to make disposals of Portfolio Assets and Exchanged Securities as more particularly described below, including to the extent necessary or appropriate to perform such duties, the power to negotiate, execute and deliver all necessary and appropriate documents and instruments on behalf of the Issuer, including but not limited to, as applicable, any sale agreement with respect to any Portfolio Asset;

(b) in connection with any redemption of the Notes pursuant to Condition 7(b) (*Optional Redemption*) or following enforcement of security under Condition 11(b) (*Enforcement*), to sell the Collateral without regard to the limitations set out in Clause 12 (*Actions in respect of the Collateral*) of the Investment Management Agreement, but subject always to any limitations or restrictions set out in the Conditions and the Transaction Documents, and, in the case of any redemption of the Notes pursuant to Condition 7(b) (*Optional Redemption*), in order to procure that the proceeds thereof are in immediately available funds by two Business Days prior to the applicable redemption date;

(c) to attend and/or vote or refrain from attending and/or voting at any meeting of the holders of, or other persons participating in or entitled to any rights or benefits under, or to otherwise exercise or refrain from exercising any voting rights arising in respect of, any Portfolio Asset, Exchanged Security or Eligible Investment;

(d) to consent to, or refrain from consenting to, any proposed amendment, modification or waiver of the terms and conditions of any Portfolio Asset, Exchanged Security or Eligible Investment;

(e) to exercise or to waive or elect not to exercise remedies in respect of any default with respect to any Portfolio Asset, Exchanged Security or Eligible Investment;

(f) to participate in a committee or group formed by creditors or shareholders of an Obligor in respect of, a Portfolio Asset, and, exercising commercially reasonable judgment, agree on behalf of the Issuer to any restructuring of any Portfolio Asset (including the acceptance of any security in exchange for or in satisfaction of such Portfolio Asset) and/or the reorganisation of any such Obligor; and

(g) to exercise any other right or remedy of the holder thereof with respect to any item of Collateral which is provided for in the related underlying instrument(s);

provided that, notwithstanding anything to the contrary in the foregoing, neither the Issuer nor the Investment Manager on the Issuer's behalf will be permitted to execute, enter into, agree to or vote in favour of or agree to participate in any waiver, modification, amendment or variance in respect of any Portfolio Asset that would have the effect of extending the maturity of such Portfolio Asset.

Identifying Defaulted Obligations

The Investment Manager shall monitor Portfolio Assets to the extent required to determine whether any Portfolio Asset is a Defaulted Obligation and on making any such determination shall notify the Issuer and the Collateral Administrator thereof.

Sale of Portfolio Assets

All sales of Portfolio Assets are required to be made in accordance with the Portfolio Acquisition and Disposition Requirements.

Terms and Conditions applicable to the Sale of Credit Impaired Obligations

Prior to the proposed sale of a Portfolio Asset as a Credit Impaired Obligation, the Investment Manager shall notify the Issuer and the Collateral Administrator that it has identified such Portfolio Asset as a Credit Impaired Obligation and the date of such determination, and so long as prior to the entry into the commitment to sell such Portfolio Asset no Note Event of Default has occurred that is continuing (or, if a Note Event of Default has

occurred and is continuing, with the prior written consent of the Trustee), the Investment Manager (acting on behalf of the Issuer) may, in its discretion, sell such Portfolio Asset.

Terms and Conditions applicable to the Sale of Defaulted Obligations

In the event that the Investment Manager determines that a Portfolio Asset is a Defaulted Obligation it shall notify the Issuer and the Collateral Administrator of such fact and the date of such determination. At any time following the Investment Manager identifying a Portfolio Asset as a Defaulted Obligation, and so long as, prior to the entry into of the commitment to sell such Portfolio Asset no Note Event of Default has occurred that is continuing (or, if a Note Event of Default has occurred and is continuing, with the prior written consent of the Trustee), the Investment Manager shall use reasonable endeavours to sell such Portfolio Asset. The timing of such sale and sale price payable by the purchaser shall be at the discretion of the Investment Manager.

Sale of Collateral Prior to Maturity Date

In the event of any redemption of the Notes in whole prior to the Maturity Date or upon receipt of notification from the Trustee of the enforcement of the security over the Collateral, the Investment Manager (acting on behalf of the Issuer) will (at the direction of the Trustee following the enforcement of such security), as far as practicable, arrange for liquidation of the 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 such earlier date as may be required under the Conditions of the Notes) and sell all or part of the Portfolio, as applicable, without regard to the limitations set out in the Investment Management Agreement, subject always to any limitations or restrictions set out in the Conditions of the Notes and the Trust Deed.

Sales of Exchanged Securities

Exchanged Securities may be sold at any time by the Investment Manager (acting on behalf of the Issuer). Any sale of an Exchanged Security shall be made in accordance with the Portfolio Acquisition and Disposition Requirements and subject to:

(a) to the Investment Manager's knowledge, no Note Event of Default or Potential Note Event of Default having occurred which is continuing; and

(b) the Investment Manager determining, in its reasonable business judgement, that such obligation constitutes an Exchanged Security.

Sale of Certain Assets Received in an Offer

The Investment Manager (acting on behalf of the Issuer) will, as promptly as practicable, sell any equity security or "United States real property interest" (as defined for U.S. federal income tax purposes) received by the Issuer in an Offer if the ownership of such asset violates the U.S. Tax Guidelines or would otherwise cause the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes.

Reinvestment of Portfolio Assets

During the Reinvestment Period, the Investment Manager (acting on behalf of the Issuer) may, at its discretion, reinvest any Unscheduled Principal Proceeds in the purchase of Substitute Portfolio Assets satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Substitute Portfolio Asset and taking into account existing commitments, the criteria set out below (the "**Reinvestment Criteria**") must be satisfied:

(a) to the Investment Manager's knowledge, no Note Event of Default or Potential Note Event of Default has occurred that is continuing at the time of such purchase;

(b) such Substitute Portfolio Asset has a Stated Maturity that falls prior to the date falling 13 calendar months after (i) the Stated Maturity of the Initial Portfolio Asset that produced such Unscheduled Principal Proceeds or, (ii) in the case of a further subsequent reinvestment, the Stated Maturity of the Initial Portfolio Asset that produced the Unscheduled Principal Proceeds used to acquire the Portfolio Asset that produced such Unscheduled Principal Proceeds;

(c) either: (A) the Coverage Tests are satisfied; or (B) if as calculated immediately prior to any purchase of a Substitute Portfolio Asset 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) either: (A) each of the Portfolio Profile Tests and Collateral Quality Tests will be satisfied; or (B) if as calculated immediately prior to any purchase of a Substitute Portfolio Asset, 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

(e) the aggregate outstanding principal amount of Retention Holder Originated Portfolio Assets held by the Issuer shall be more than 50 per cent. of the aggregate outstanding principal amount of all Portfolio Assets held by the Issuer after giving effect to such reinvestment,

provided that with respect to any Portfolio Assets for which the trade date has occurred during the Reinvestment Period but which settle after such date, the purchase of such Portfolio Assets shall be treated as a purchase made during the Reinvestment Period.

The Investment Manager shall notify the Collateral Administrator of all necessary details of the proposed Substitute Portfolio Asset to be purchased and the Collateral Administrator shall determine and shall provide confirmation of whether the Portfolio Profile Tests, the Collateral Quality Tests and the Reinvestment Criteria which are required to be satisfied in connection with any such reinvestment are satisfied or, if any such criteria are not satisfied, shall notify the Issuer and the Investment Manager of the reasons and the extent to which such criteria are not so satisfied.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds 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.

Expiry of the Reinvestment Period Certification

Immediately preceding the end of the Reinvestment Period, the Investment Manager will deliver to the Trustee and the Collateral Administrator a schedule of Portfolio Assets purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available to effect the settlement of such Portfolio Assets.

Application of Sale Proceeds

The Investment Manager will procure that all proceeds from the sale of any Credit Impaired Obligation, Defaulted Obligation and Exchanged Security, as applicable, will be paid to or to the order of the Issuer, who (or whose agent) will procure that such proceeds be deposited into the Principal Account and disbursed in accordance with the Priorities of Payment on the first Payment Date following such sale. In no event shall the Issuer (or the Investment Manager on the Issuer's behalf) be permitted to reinvest any Sale Proceeds.

Accrued Interest

All payments of interest and proceeds of sale received during any Due Period in relation to any Portfolio Asset, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Portfolio Asset which was purchased at the time of acquisition thereof with amounts from the Unused Proceeds Account or the Principal Account shall constitute Purchased Accrued Interest and shall be deposited into the Principal Account as Principal Proceeds.

Eligible Investments

The Investment Manager, acting on behalf of the Issuer, may from time to time give written instructions to the Collateral Administrator to purchase Eligible Investments out of Balances standing to the credit of the Accounts other than the Payment Account. Any instructions given by the Investment Manager to the Collateral Administrator to purchase Eligible Investments shall specify that such Eligible Investments shall be sold or otherwise liquidated not later than two Business Days prior to the following Payment Date. For the avoidance of doubt, the Investment Manager may direct the Collateral Administrator to invest in Eligible Investments of

which the Investment Manager or an Affiliate is the issuer or obligor. All purchases and sales of Eligible Investments shall be made in accordance with the Portfolio Acquisition and Disposition Requirements.

Margin Stock

The Investment Manager, on behalf of the Issuer, will use reasonable endeavours to sell any Portfolio Asset or Exchanged Equity Security which is or at any time becomes Margin Stock as soon as practicable following such event.

"**Margin Stock**" means margin stock as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System, including any debt security which is by its terms convertible into Margin Stock.

DESCRIPTION OF THE INVESTMENT MANAGEMENT AGREEMENT

The following description of the Investment Management Agreement consists of a summary of certain provisions of the Investment Management Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.

Investment Management Agreement

The Issuer will appoint Commerzbank AG, London Branch to provide investment management services pursuant to the Investment Management Agreement.

General Duties of the Investment Manager

Pursuant to the terms of the Investment Management Agreement, the Investment Manager is appointed to: (a) during the Reinvestment Period only, identify, select, assess and purchase on behalf of the Issuer Substitute Portfolio Assets which the Investment Manager determines satisfy the Reinvestment Criteria at the time of entering into a binding commitment to acquire such Substitute Portfolio Asset; (b) evaluate, determine and monitor the Portfolio on behalf of the Issuer (including, without limitation, to monitor whether any Portfolio Asset comprised in the Portfolio becomes, or ceases to be, a Credit Impaired Obligation or a Defaulted Obligation from time to time) and to effect on behalf of the Issuer such changes to the Portfolio from time to time as the Investment Manager considers appropriate taking account of the objectives of the Issuer, the Eligibility Criteria and the Reinvestment Criteria (as applicable) and the provisions of the Investment Management Agreement; and (c) perform the services otherwise set out in the Investment Management Agreement and the Investment Manager's obligations under the other Transaction Documents to which the Investment Manager is party.

The Investment Manager will perform its obligations in good faith and with reasonable care and will exercise a standard of care which is the higher of (a) the standard of care which the Investment Manager (and its Affiliates) exercises with respect to comparable assets and liabilities that it manages for itself and others and (b) a standard of care consistent with practices and procedures followed by reputable institutional investment managers of international standing managing investments or advising in respect of assets and liabilities similar in nature and character to those which comprise the Portfolio for clients having similar investment objectives and restrictions to those provided in the Investment Management Agreement. Subject to the foregoing, the Investment Manager will follow its customary standards, policies and procedures in performing its duties thereunder in advising in respect of, and managing investments similar in nature to those comprised in, the Portfolio.

The Investment Manager (a) does not assume any fiduciary duty to the Issuer, the Trustee, any Noteholder or any other person; and (b) does not guarantee or otherwise assume any responsibility for the performance of the Notes or the Portfolio or the performance by any third party of any contract entered into by the Investment Manager on behalf of the Issuer under the Investment Management Agreement or any other Transaction Document. The Investment Manager, as well as its directors, employees, officers, shareholders and agents, shall not be liable (whether directly or indirectly, in contract or in tort or otherwise) to the Issuer, the Trustee, the Noteholders or any other person for losses, claims, expenses, actions, damages, judgments, interest on judgments, assessments, costs, fees, charges, amounts paid in settlement or other liabilities (collectively, "Liabilities") incurred by the Issuer, the Trustee, the Custodian, the Collateral Administrator, the Noteholders or any other person that arise out of or in connection with the performance by the Investment Manager of its duties under the Investment Management Agreement **provided that** nothing shall relieve the Investment Manager from liability to such persons for Liabilities arising out of or in connection with (i) acts or omissions constituting bad faith, wilful default or negligence in the performance of the duties and obligations of the Investment Manager, or (ii) information concerning the Investment Manager provided in writing by the Investment Manager for inclusion in this Offering Circular containing any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements contained in the sections headed "*Risk Factors—Relating to certain conflicts of Interest—Investment Manager*" and "*Description of the Investment Manager*" above, in the light of the circumstances under which they were made, not misleading (collectively, an "**Investment Manager Breach**").

Compensation of the Investment Manager

Pursuant to the Investment Management Agreement and the Trust Deed, the Issuer will pay certain fees and reimburse certain expenses of the Investment Manager, including the Senior Investment Management Fee, the Make-whole Senior Investment Management Fee (if applicable), the Subordinated Investment Management Fee,

the Make-whole Subordinated Investment Management Fee (if applicable) and the Incentive Investment Management Fee (plus any VAT thereon, if applicable).

The Investment Management Fees and (if applicable) the Make-whole Investment Management Fees will be payable on each relevant Payment Date only to the extent of funds available for such purpose in accordance with the Priorities of Payment. If amounts distributable on any Payment Date in accordance with the Priorities of Payment are insufficient to pay the Investment Management Fees and/or the Make-whole Investment Management Fees in full, then a portion of the fee equal to the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available but subject to and in accordance with the Priorities of Payment. In addition, the Investment Manager may, in its discretion, elect to defer any amount of the Senior Investment Management Fee and/or the Subordinated Investment Management Fee and/or the Incentive Investment Management Fee. Any Investment Management Fees so deferred (whether by operation of the Priorities of Payment or at the election of the Investment Manager) shall not accrue any interest.

If the Investment Manager resigns or is removed pursuant to the Investment Management Agreement or if the Investment Management Agreement is terminated, each of the Investment Management Fees shall be *pro rated* for any partial Due Periods during which the Investment Management Agreement was in effect and subject to the Priorities of Payment shall be due and payable on the first Payment Date following the date of such termination, resignation or removal.

Termination of the Appointment of the Investment Manager

The Investment Management Agreement may be terminated, and the Investment Manager may be removed, by either the Issuer or (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) the Trustee at the direction of the holders of (a) the Subordinated Notes or (b) the Controlling Class, in each case acting by Ordinary Resolution (in each case, excluding Investment Manager Notes) upon ten Business Days' prior written notice to the Investment Manager following the occurrence of any of the following events (each, a "**cause**" event):

(a) wilful violation or breach by the Investment Manager of any material provision of the Investment Management Agreement or the Trust Deed applicable to it in bad faith (not including a wilful and intentional breach that results from a good faith dispute regarding reasonable alternative courses of action or interpretation of instructions);

(b) the Investment Manager shall breach any provision of the Investment Management Agreement or any terms of the Trust Deed applicable to it (other than as covered by paragraph (a)), which breach would reasonably be expected to have a material adverse effect on the Issuer and shall not cure such breach (if capable of being cured) within 30 days of a Responsible Officer of the Investment Manager receiving notice of such breach, unless, if such breach is remediable, the Investment Manager has taken action that the Investment Manager believes in good faith will remedy such failure, and such action does remedy such failure, within 60 days after a Responsible Officer receives notice thereof;

(c) the failure of any representation, warranty, certification or statement made or delivered by the Investment Manager in or pursuant to the Investment Management Agreement or the Trust Deed to be correct in any material respect when made which failure (A) would reasonably be expected to have a material adverse effect on the Issuer and (B) is not corrected by the Investment Manager within 30 days of a Responsible Officer of the Investment Manager receiving notice of such failure;

(d) the Investment Manager: (A) is dissolved (other than pursuant to a consolidation, amalgamation or merger where at the time of such consolidation, amalgamation or merger, the resulting, surviving or transferee Person assumes all of the obligations of the Investment Manager under the Investment Management Agreement); (B) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (C) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (D) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (E) has a resolution passed for its winding-up, administration, examination or liquidation

(other than pursuant to a consolidation, amalgamation or merger where at the time of such consolidation, amalgamation or merger, the resulting, surviving or transferee Person assumes all of the obligations of the Investment Manager under the Investment Management Agreement); (F) seeks or becomes subject to the appointment of a Receiver for it or for all or substantially all of its assets; (G) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (H) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (A) to (G) above (inclusive); or (I) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(e) due to the adoption of, or any change in, any applicable law after the date of the Investment Management Agreement, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after the date of the Investment Management Agreement, it becomes unlawful for the Investment Manager to perform any obligation (contingent or otherwise) which the Investment Manager has under the Investment Management Agreement;

(f) (A) the occurrence of an act by the Investment Manager that constitutes fraud or criminal activity in the performance of its obligations under the Investment Management Agreement (as determined pursuant to a final adjudication by a court of competent jurisdiction) or the Investment Manager being indicted for a criminal offence materially related to its business of providing asset management services or (B) any Responsible Officer of the Investment Manager primarily responsible for the performance by the Investment Manager of its obligations under the Investment Management Agreement (in the performance of his or her investment management duties) is indicted for a criminal offence materially related to the business of the Investment Manager providing asset management services and continues to have responsibility for the performance by the Investment Manager under the Investment Management Agreement for a period of 30 days after such indictment; or

(g) the occurrence and continuation of a Note Event of Default specified under paragraph (i) or (ii) of the definition of such term that results directly from any material breach by the Investment Manager of its duties under the Investment Management Agreement or under the Trust Deed which breach or default is not cured within any applicable cure period (except in those circumstances where such Note Event of Default is wholly attributable to the actions or omissions of a third party which the Investment Manager does not control).

Resignation of the Investment Manager

The Investment Manager may resign, upon 45 days (or such shorter notice as is acceptable to the Issuer) written notice to the Issuer, the Trustee and the Rating Agencies.

Replacement Investment Manager

Any termination of the Investment Management Agreement or any removal or resignation of the Investment Manager as described above while any Notes are Outstanding under the Trust Deed will be effective only if (i) ten days' prior notice is given to the Rating Agencies, the Noteholders of all Outstanding Notes (in accordance with Condition 16 (*Notices*)) and the Trustee, (ii) a Rating Agency Confirmation from the Rating Agencies shall have been obtained pursuant to the Investment Management Agreement with respect to such termination and assumption by an Eligible Successor, (iii) an Eligible Successor, appointed by the Issuer in accordance with the relevant provisions of the Investment Management Agreement, has agreed in writing to assume all of the Investment Manager's duties and obligations thereunder and (iv) no compensation payable to an Eligible Successor from payments from the Portfolio Assets shall be greater than that paid to the Investment Manager, except with the consent of the Subordinated Noteholders, acting by Ordinary Resolution (subject to Rating Agency Confirmation).

The Issuer, the Trustee, the resigning or removed Investment Manager and the Eligible Successor shall take such action consistent with the Investment Management Agreement and the terms of the Transaction Documents as shall be necessary to effect any such succession.

Where "**Eligible Successor**" means an entity (1) that has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Investment Manager under the Investment Management Agreement with a substantially similar (or better) level of expertise, (2) that has the regulatory capacity under all relevant laws to perform the duties of the Investment Manager under the Investment Management Agreement, (3) the appointment of which will not cause either of the Issuer or the Portfolio to become required to register under the provisions of the Investment Company Act, (4) the appointment and conduct of which will not cause the Issuer to be subject to net income taxation outside its jurisdiction of incorporation or to be engaged in a trade or business in the U.S. for U.S. federal income tax purposes or to be resident in the United Kingdom for United Kingdom tax purposes or cause any other material adverse tax consequences to the Issuer and (5) the amount of VAT chargeable in respect of the services provided by such entity as Investment Manager under the Investment Management Agreement will not be greater than the amount of VAT chargeable in respect of such services when provided by the outgoing Investment Manager.

If the Investment Manager resigns, is terminated or removed, the Subordinated Noteholders (acting by Ordinary Resolution) may propose an Eligible Successor by delivering notice thereof to the Issuer, the Trustee and the holders of the Notes (in accordance with Condition 16 (*Notices*)). The Controlling Class (acting by Ordinary Resolution) may, within 10 days from receipt of such notice, object to such Eligible Successor by delivering notice of such objection to the Issuer and the Trustee. If no such Eligible Successor has been appointed within 90 days of the delivery by the Investment Manager to the Issuer of notice of resignation, or delivery by the Issuer or the Trustee to the Investment Manager of written notice of removal, as applicable, the Investment Manager may propose an Eligible Successor. If (i) such Eligible Successor agrees in writing to assume all of the Investment Manager's duties and obligations pursuant to the Investment Management Agreement and (ii) the Issuer has not received written objections from the Controlling Class (acting by Ordinary Resolution) or the Subordinated Noteholders (acting by Ordinary Resolution) within 45 days of such proposal, the Issuer will appoint such proposed Eligible Successor upon the expiration of such 45 day period. If no Eligible Successor has been appointed within 115 days of the delivery by the Investment Manager to the Issuer of notice of resignation, or delivery by the Issuer or the Trustee to the Investment Manager of written notice of removal, as applicable, the Subordinated Noteholders, acting by Ordinary Resolution, may, by delivery of notice to the Issuer, the Trustee and the holders of the Notes (in accordance with Condition 16 (*Notices*)), appoint an Eligible Successor, subject to the right of the Controlling Class (acting by Ordinary Resolution) to object to such appointment by delivering notice thereof to the Issuer and the Trustee within 10 days from receipt of such notice. If no successor Investment Manager is appointed within 135 days of the delivery by the Investment Manager of written notice of resignation, or delivery by the Issuer or the Trustee to the Investment Manager of written notice of removal, as applicable, the Issuer and/or the Investment Manager may petition any court of competent jurisdiction for the appointment of a successor Investment Manager without any approval or veto right of any Noteholder. For the avoidance of doubt, Investment Manager Notes shall not have any voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of voting with respect to the selection or appointment of the successor Investment Manager.

Automatic Termination of the Investment Management Agreement

The Investment Management Agreement will automatically terminate upon the earliest to occur of (i) the payment in full of the Notes in accordance with their terms; (ii) the liquidation of the Collateral and the final distribution of the proceeds of such liquidation as provided in the Trust Deed; and (iii) the Issuer determines in good faith that the Issuer or the Portfolio has become required to be registered under the provisions of the Investment Company Act by virtue of action taken by the Investment Manager, and the Issuer notifies the Investment Manager and the Collateral Administrator thereof.

Assignment and Delegation by the Investment Manager

The Investment Management Agreement provides that, except as described below, no rights or obligations under the Investment Management Agreement (or any interest therein) may be assigned or delegated by the Investment Manager (by operation of law or otherwise). In addition, no such assignment or delegation by the Investment Manager shall be effective if such assignment is to a transferee that does not qualify as an Eligible Successor.

The Investment Manager is permitted to assign its rights and delegate its duties under the Investment Management Agreement to any transferee so long as either: (A) such assignment or delegation is consented to by the Issuer and the holders of the Controlling Class (acting by Ordinary Resolution) without receiving any written objection thereto by the Subordinated Noteholders (acting by Ordinary Resolution) within 10 days from

receipt of notice of such assignment or delegation (in each case, excluding Investment Manager Notes) or (B) Rating Agency Confirmation is obtained with respect to such assignment or delegation.

Any assignment of all of its rights and delegation of all of its duties to a transferee in accordance with the Investment Management Agreement will bind such transferee in the same manner as the Investment Manager is bound. Upon the execution of such assignment and delegation by the Investment Manager and the transferee and delivery to the Issuer and the Trustee of a counterpart thereof, the Investment Manager will be released from further obligations pursuant to the Investment Management Agreement, except with respect to (x) its agreements and obligations arising under various provisions under the Investment Management Agreement in respect of acts or omissions occurring prior to such assignment and (y) its obligations under the Investment Management Agreement in respect of acts upon termination.

The Investment Manager may not, however, assign or delegate any of its rights or responsibilities, nor permit Affiliates or third parties to perform services on its behalf, if such assignment, delegation or permission would cause the Issuer to be subject to tax in any jurisdiction outside its jurisdiction of incorporation.

Any corporation, partnership or limited liability company into which the Investment Manager may be merged or converted or with which it may be consolidated, or any corporation, partnership or limited liability company resulting from any merger, conversion or consolidation to which the Investment Manager will be a party, or any corporation, partnership or limited liability company succeeding to all or substantially all of the collateral management business of the Investment Manager, will be the successor to the Investment Manager without any further action by the Investment Manager, the Issuer, the Trustee, the holders of the Notes or any other person or entity; provided, that the resulting entity qualifies as an Eligible Successor.

Governing Law

The Investment Management Agreement, including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

DESCRIPTION OF THE TRUSTEE

The information appearing in this section has been prepared by the Trustee and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Initial Purchaser or any other party other than the Trustee assumes any responsibility for the accuracy or completeness of such information.

The Bank of New York Mellon, London Branch

The Bank of New York Mellon (formerly The Bank of New York), a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situated at One Wall Street, New York, NY 10286, USA and having a branch registered in England and Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

Rule 3a-7

For so long as the Issuer relies on Rule 3a-7, the Trustee (and any successor) shall be a "bank" as defined in the Investment Company Act and shall otherwise meet the requirements of Rule 3a-7.

Termination and Resignation of Appointment of the Trustee

The resignation or removal of the Trustee and the appointment of a successor Trustee pursuant to the Trust Deed will not become effective until the acceptance of appointment by the successor Trustee under the Trust Deed.

The Transaction Documents provide, in substance, that, so long as the Issuer relies on Rule 3a-7, the Trustee shall not resign until either (i) the Portfolio has been completely liquidated and the proceeds of the liquidation distributed to the Secured Parties, or (ii) a successor Trustee, having the qualifications prescribed in Section 26(a)(1) of the Investment Company Act and otherwise meeting the requirements of Rule 3a-7, has been designated and has accepted such trusteeship.

DESCRIPTION OF THE COLLATERAL ADMINISTRATOR

The information appearing in this section has been prepared by the Collateral Administrator and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Initial Purchaser or any other party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

The Bank of New York Mellon SA/NV, Dublin Branch

The Bank of New York Mellon SA/NV is a Belgian limited liability company established September 30, 2008 under the form of a Société Anonyme/Naamloze Vennootschap. It was granted its banking license by the CBFA (former Belgian supervisor prior to the implementation of the Twin Peaks model) on March 10 2009. It has its headquarters and main establishment at 46 rue Montoyerstraat, 1000 Bruxelles/Brussels. The Bank of New York Mellon SA/NV is a subsidiary of BNY Mellon (BNYM), the main banking subsidiary of The BNY Mellon Corporation. It is under the prudential supervision of the National Bank of Belgium and regulated by the Belgian Financial Services and Markets Authority in respect of Conduct of Business. The Bank of New York Mellon SA/NV engages in asset servicing, global collateral management, global markets, corporate trust and depositary receipts. The Bank of New York Mellon SA/NV operates from locations in Belgium, the Netherlands, Germany, London, Luxembourg, Paris and Dublin.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Collateral Administration and Agency Agreement, the Collateral Administrator may be removed: (a) without cause at any time upon at least 90 days' prior written notice; or (b) with cause upon at least 10 days' prior written notice, in each case, (i) by the Issuer at its discretion or (ii) the Trustee acting upon the written directions of the holders of the Subordinated Notes acting by way of Ordinary Resolution and subject to the Trustee being secured and/or indemnified and/or prefunded to its satisfaction. In addition the Collateral Administrator may also resign its appointment without cause on at least 45 days' prior written notice and with cause upon at least 10 days' prior written notice to the Issuer. No resignation or removal of the Collateral Administrator will be effective until a successor collateral administrator has been appointed pursuant to the terms of the Collateral Administration and Agency Agreement.

DESCRIPTION OF THE REPORTS

Monthly Reports

The Collateral Administrator, not later than the 10th calendar day (or if such day is not a Business Day, the immediately following Business Day) of each month (save in respect of any month for which a Payment Date Report has been prepared) commencing in July 2016, on behalf, and at the expense, of the Issuer and in consultation with, and based in part on certain information provided by, the Investment Manager, compile and make available via a secured website at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Principal Paying Agent, the Initial Purchaser, the Investment Manager, the Arranger, the Co-Arranger, the Retention Holder, the Rating Agencies and the Noteholders from time to time) to Noteholders (by way of a unique password which may be obtained by such person from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes), the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Initial Purchaser, the Arranger, the Co-Arranger, the Retention Holder, and the Rating Agencies (where such reports will be available to the public upon request and each Rating Agency), a monthly report (each a "**Monthly Report**", together the "**Monthly Reports**"), which shall contain, without limitation, the information set out below with respect to the Portfolio (and which information shall also be in a Microsoft Excel-downloadable format), determined as of the last Business Day of each month by the Collateral Administrator in consultation with, and based in part on certain information provided by, the Investment Manager. The Monthly Reports will only include information on Portfolio Assets which have settled and not information in respect of Portfolio Assets in relation to which a binding commitment to acquire by the Issuer has been entered into but which have not yet settled.

Portfolio

(a) the Aggregate Principal Balance of the Portfolio Assets and Eligible Investments representing Principal Proceeds;

(b) the Aggregate Collateral Balance of the Portfolio Assets;

(c) the Adjusted Collateral Principal Amount of the Portfolio Assets (separately identifying any Excess CCC Adjustment Amount);

(d) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, in respect of each Portfolio Asset, its Principal Balance, LoanX ID, ISIN number, ISIN or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility, Stated Maturity, Obligor, the Domicile of the Obligor, location of assets, location of security, S&P Rating, Fitch Rating, and any other public rating (other than any confidential credit estimate), S&P Industry Category, S&P Recovery Rate, Fitch Industry Category and Fitch Recovery Rate;

(e) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, in respect of each Portfolio Asset, whether such Portfolio Asset is a Senior Secured Loan, Senior Secured Bond, Fixed Rate Portfolio Asset, Floating Rate Portfolio Asset, Current Pay Obligation, Discount Obligation or Cov-Lite Loan (as determined for (1) the purposes of determining the S&P Recovery Rate of such Cov-Lite Loan and (2) all other purposes);

(f) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, in respect of each Exchanged Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Stated Maturity and Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto;

(g) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, the number, identity and, if applicable, Principal Balance of, respectively, any Portfolio Assets or Exchanged Securities that were released for sale or other disposition (indicating whether any such Portfolio Asset is a Defaulted Obligation or Credit Impaired Obligation, specifying the reason for such sale or other disposition and the section in the Investment Management Agreement pursuant to which such sale or other disposition was made) and the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Investment Manager;

(h) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, the number, identity and, if applicable, Principal Balance of, respectively, any Portfolio Assets or Exchanged Securities acquired by the Issuer since the date of determination of the last Monthly Report, whether such obligation is a Substitute Portfolio Asset and, if so, details of the section of the Investment Management Agreement pursuant to which it is being purchased, the purchase price thereof, any Purchased Accrued Interest and/or fees received in connection with such acquisition and the identity of the sellers thereof (if any) that are Affiliated with the Investment Manager;

(i) subject to any confidentiality obligations binding on the Issuer of which the Issuer has expressly made the Collateral Administrator aware, the identity of each Portfolio Asset which became a Defaulted Obligation or that experienced a rating change since the last Monthly Report or in respect of which an Exchanged Security has been received since the date of determination of the last Monthly Report and the identity and Principal Balance of each Fitch CCC Obligation, S&P CCC Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations and any laws or regulations prohibiting disclosure (of which the Collateral Administrator has expressly been notified or made aware) which are binding on the Issuer, the identity of each Portfolio Asset which became a restructured obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the date such restructuring became binding on the holders thereof;

(k) the Aggregate Principal Balance of Portfolio Assets the ratings of which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Investment Manager has actual knowledge;

(l) the Market Value as provided by the Investment Manager of the Portfolio Assets as of the preceding month end;

(m) in respect of each Portfolio Asset, its Fitch Rating and S&P Rating (other than any confidential credit estimate) as at (i) the date of acquisition; (ii) the date of the previous Monthly Report; and (iii) the date of the current Monthly Report; and

(n) the expected maturity date of each Portfolio Asset.

Accounts

(a) the Balances standing to the credit of each of the Accounts;

(b) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts; and

(c) the name of each account bank for the time being.

Coverage Tests and Collateral Quality Tests

(a) a statement as to whether each of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test and the Class F 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 and the Class D Interest Coverage Test is satisfied and details of the relevant Interest Coverage Ratios;

(c) during the Reinvestment Period, a statement as to whether each of the Collateral Quality Tests is satisfied and the pass levels thereof (or to the extent not satisfied, as to whether such tests will be maintained or improved after giving effect to such reinvestment); and, thereafter, details of the Collateral Quality Tests of the Portfolio measured as at the applicable Determination Date; and

(d) a statement identifying any Portfolio Asset in respect of which the Investment Manager has made its own determination of "Market Value" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests.

Portfolio Profile Tests

(a) during the Reinvestment Period, a statement as to whether each of the Portfolio Profile Tests is satisfied and the pass levels thereof (or to the extent not satisfied, as to whether such tests will be maintained or improved after giving effect to such reinvestment); and, thereafter, details of the Portfolio Profile Tests of the Portfolio measured as at the applicable Determination Date.

Frequency Switch Event

(a) a statement indicating whether a Frequency Switch Event has occurred during the relevant Due Period (as notified to the Collateral Administrator by the Investment Manager).

Reinvestment Period

(a) a statement indicating whether the Reinvestment Period has expired (as notified to the Collateral Administrator by the Investment Manager).

Risk Retention

(a) confirmation that the Collateral Administrator has received a certificate in writing (which may be by email) from the Retention Holder (and upon which certificate the Collateral Administrator shall be entitled to rely without further enquiry and without any liability for so relying), that the Retention Holder:

(i) has acquired on the Issue Date and continues to retain, on an on-going basis, Subordinated Notes with a Principal Amount Outstanding of not less than 5 per cent. of the Aggregate Collateral Balance in accordance with the Retention Requirements (or such lower amount as then permitted or required under the Retention Requirements and Similar Requirements); and

(ii) has not sold, hedged or otherwise mitigated its credit risk under or associated with such retained material net economic interest (except to the extent permitted by the Retention Requirements).

Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with, and based in part on certain information provided by, the Investment Manager, shall compile a report (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and make available via a secured website at https://gctinvestorreporting.bnymellon.com (or such other website as may be notified by the Collateral Administrator to the Issuer, the Trustee, the Principal Paying Agent, the Initial Purchaser, the Arranger, the Co-Arranger, the Retention Holder, the Investment Manager, the Rating Agencies and the Noteholders from time to time) to Noteholders (by way of a unique password which may be obtained by such person from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes), the Issuer, the Trustee, the Principal Paying Agent, the Investment Manager, the Initial Purchaser, the Retention Holder, the Arranger, the Co-Arranger and the Rating Agencies, no later than the second Business Day before the relevant Payment Date which shall contain, without limitation, the information set out below (and which information shall also be in a Microsoft Excel-downloadable format). The Collateral Administrator, in the name and at the expense of the Issuer, shall notify the Irish Stock Exchange of the Principal Amount Outstanding of each Class of Notes after giving effect to the principal payments, if any, on the next Payment Date. The Payment Date Reports will only include information on Portfolio Assets which have settled and not information in respect of Portfolio Assets in relation to which a binding commitment to acquire by the Issuer has been entered into but which have not yet settled.

Portfolio

(a) the Aggregate Principal Balance of the Portfolio Assets as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the Portfolio Assets with respect to the related Due Period and the reinvestment of any Unscheduled Principal Proceeds in Substitute Portfolio Assets during such Due Period and (B) the disposal of any Portfolio Assets during such Due Period;

(b) subject to any confidentiality obligations of which the Issuer has expressly made the Collateral Administrator aware and any laws or regulations prohibiting disclosure which are binding on the Issuer and of which the Collateral Administrator has been made expressly aware, a list of the Portfolio Assets indicating the Principal Balance and Obligor of each;

(c) the Interest Proceeds received during the related Due Period;

(d) the Principal Proceeds received during the related Due Period; and

(e) the information required pursuant to "*Monthly Reports – Portfolio*" above.

Notes

(a) the Principal Amount Outstanding of the Notes of each Class and as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class at the beginning of the Interest Period, the amount of principal payments to be made on the Notes of each Class on the related Payment Date, and the aggregate Principal Amount Outstanding of the Notes of each Class and as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class, in each case after giving effect to the principal payments, if any, on such Payment Date;

(b) the interest payable in respect of each Class of Notes (as applicable), including the amount of any Deferred Interest payable on the related Payment Date (in the aggregate and by Class);

(c) the Interest Amount payable in respect of the Class A Notes, Class B Notes, Class C Notes, Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes on the next Payment Date; and

(d) EURIBOR for the related Due Period and the Floating Rate of Interest applicable to each Class of Rated Notes during the related Due Period.

Payment Date Payments

(a) the amounts payable on the related Payment Date in respect of each item set out in the Interest Priority of Payments, the Principal Priority of Payments and the Acceleration Priority of Payments;

(b) the Trustee Fees and Expenses, the amount of any Investment Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis; and

(c) whether a Frequency Switch Event has occurred.

Accounts

(a) the Balance standing to the credit of the Interest Account at the end of the related Due Period;

(b) the Balance standing to the credit of the Principal Account at the end of the related Due Period;

(c) the Balance standing to the credit of the Interest Account immediately after all payments and deposits to be made on the next Payment Date;

(d) the Balance standing to the credit of the Principal Account immediately after all payments and deposits to be made on the next Payment Date;

(e) the amounts payable from the Interest Account through a transfer to the Payment Account pursuant to the Priorities of Payment on such Payment Date;

(f) the amounts payable from the Principal Account through a transfer to the Payment Account pursuant to the Priorities of Payment on such Payment Date;

(g) the amounts payable from any other Accounts (through a transfer to the Payment Account) pursuant to the Priorities of Payment on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;

(h) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period; and

(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.

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.

Frequency Switch Event and Reinvestment Period

(a) the information required pursuant to "*Monthly Reports – Frequency Switch Event*" above; and

(b) the information required pursuant to "*Monthly Reports – Reinvestment Period*" above.

Risk Retention

The information required pursuant to "*Monthly Reports – Risk Retention*" above.

Miscellaneous

Each report shall state that it is for the purposes of information only, that certain information included in the report is estimated, approximated or projected and that it is provided without any representations or warranties as to the accuracy or completeness thereof and that none of the Collateral Administrator, the Trustee, any Agent, the Issuer, the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser or the Investment Manager will have any liability for estimates, approximations or projections contained therein.

In addition, the Collateral Administrator may provide the Issuer with such other information in its actual possession in relation to the Portfolio which is not already supplied to the Issuer by any of the parties to the Transaction Documents nor in any of the Monthly Reports or Payment Date Reports, as the Issuer may reasonably request, in order for it to satisfy any obligations which may arise to make certain filings of information with any governmental body or agency.

CERTAIN TAX CONSIDERATIONS

1. General

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

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer or exercise of any Note should consult their own tax advisers. In particular, no representation is made as to the manner in which payments under the Notes would be characterised by any relevant taxing authority. Potential investors should be aware that the relevant fiscal rules or their interpretation may change, possibly with retrospective effect, and that this summary is not exhaustive. This summary does not constitute legal or tax advice or a guarantee to any potential investor of the tax consequences of investing in the Notes.

2. Ireland Taxation

The following is a summary based on the laws and practices currently in force in Ireland regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes issued by the Issuer. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

2.1 Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the "**1997 Act**") for certain securities ("**Quoted Eurobonds**") issued by a body corporate (such as the Issuer) which are interest bearing and quoted on a recognised stock exchange (which would include the Irish Stock Exchange).

Any interest paid on such Quoted Eurobonds can be paid free of withholding tax provided:

(a) the person by or through whom the payment is made is not in Ireland; or

(b) the payment is made by or through a person in Ireland, and either:

  (i) the Quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear, Clearstream Banking SA, Clearstream Banking AG, and DTC are so recognised); or

  (ii) the person who is the beneficial owner of the Quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as an Irish paying agent) in the prescribed form.

So long as the Notes (including the Subordinated Notes), are listed on the Irish Stock Exchange and are either held in Euroclear, Clearstream, Luxembourg and/or DTC or if not so held payments are made on the Notes (including the Subordinated Notes) through a paying agent not in Ireland, payments on the Notes can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the Quoted Eurobond exemption referred to above does not or ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax provided it is a "qualifying company" (within the meaning of section 110 of the 1997 Act) and provided the interest is paid to a person resident in a "relevant territory" (i.e. a Member State (other than Ireland) or in a country with which Ireland has a comprehensive double taxation agreement). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain limited circumstances a payment of interest by the Issuer which is considered dependent on the results of the Issuer's business or which represents more than a reasonable commercial return can be re-characterised as a distribution subject to dividend withholding tax.

A payment of profit dependent or excessive interest on the Notes will not be re-characterised as a distribution to which dividend withholding tax could apply where:

(a) the Noteholder is Irish tax resident; or

(b) the Noteholder is subject to tax in a relevant territory which generally applies to profits, income or gains received from sources outside that territory without any reduction computed by reference to the amount of the payment; or

(c) the Noteholder is neither a company which directly or indirectly controls the Issuer or which is controlled by a third company which directly or indirectly controls the Issuer nor is a person (including any connected person) (a) from whom the Issuer has acquired assets, (b) to whom the Issuer has made loans or advances, or (c) with whom the Issuer has entered into a return agreement (as defined in section 110(1) of the 1997 Act) where the aggregate value of such assets, loans, advances or agreements represents 75 per cent. or more of the assets of the Issuer (such a person falling within this category of person being a "Specified Person"); or

(d) the Noteholder is a pension fund, government body or other person resident in a relevant territory (which is not a Specified Person) who under the laws of that territory is exempted from tax that generally applies to profits, income or gains in that territory; or

(e) the Notes are Quoted Eurobonds, the Noteholder is a Specified Person, and at the time of the issue of any Notes the Issuer is not in possession, or aware, of information which could reasonably be taken to indicate that the interest on the Notes would not be subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

2.2 **Encashment Tax**

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any Quoted Eurobond, where such interest is collected by a bank or other agent in Ireland on behalf of any Noteholder. There is an exemption from this encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

2.3 **Taxation of Noteholders**

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax and the universal social charge. Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a relevant territory provided either (i) the Notes are Quoted Eurobonds and are exempt from withholding tax as set out above (ii) in the event of the Notes not being or ceasing to be Quoted Eurobonds exempt from withholding tax, if the Issuer is a qualifying company within the meaning of section 110 of the 1997 Act, or (iii) if the Issuer has ceased to be a qualifying company, the recipient of the interest is a company and the jurisdiction concerned imposes a tax that generally applies to interest receivable in that jurisdiction by companies from sources outside that jurisdiction.

In addition, provided that the Notes are Quoted Eurobonds and are exempt from withholding tax as set out above, the interest on the Notes will be exempt from Irish income tax if the recipient of the interest is (i) a company under the control, directly or indirectly, of persons who by virtue of the law of a relevant territory are resident in that country and that person or persons are not themselves under the control whether directly or indirectly of a person who is not resident in such a country, or (ii) a company, the principal class of shares of such company, or another company of which the recipient company is a 75 per cent. subsidiary, is substantially

and regularly traded on one or more recognised stock exchanges in Ireland or a relevant territory or a stock exchange approved by the Irish Minster for Finance.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed may have a liability to Irish corporation tax on the interest.

Noteholders receiving interest on the Notes which does not fall within any of the above exemptions may be liable to Irish income tax and the universal social charge on such interest.

2.4 Capital Gains Tax

A holder of Notes will be subject to Irish tax on capital gains on a disposal of Notes unless such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held.

2.5 Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situated in Ireland. Bearer notes are generally regarded as situated where they are physically located at any particular time and registered notes are generally regarded as situated where the principal register of noteholders is maintained or is required to be maintained, but the Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they secure a debt due by an Irish resident debtor and they may be secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponer or the donee/successor. The current rate of capital acquisitions tax is 33 per cent.

2.6 Stamp Duty

On the basis of an exemption provided for in Section 85(2)(c) to the Stamp Duties Consolidation Act, 1999, provided the money raised on the issue of the Notes is used in the course of the Issuer's business, no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes whether they are represented by Global Certificates or Definitive Certificates.

2.7 EU Savings Directive

Under Council Directive 2003/48/EC (as amended) on the taxation of savings income (the "**EU Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State. For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, in order to prevent overlap between the EU Savings Directive and provisions relating to a common reporting standard framework (being the Standard for Automatic Exchange of Financial Account Information in Tax Matters published on 21 July 2014 by the OECD and Council Directive 2014/107/EU on Administrative

Co-operation in the Field of Taxation), the Council of the European Union, on 10 November 2015, published a directive which will repeal the EU Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The repeal will be subject to transitional provisions imposing on-going requirements to fulfil certain administrative obligations such as reporting and exchange of information relating to, or accounting for withholding taxes, on payments made before those dates.

If a payment were to be made or collected through a Member State of the European Union which operates a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Principal Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Pursuant to Condition 8(d) (*Registrar, Paying Agents and Transfer Agent*), the Issuer is required to maintain a paying agent in a Member State that is not obliged to withhold or deduct tax pursuant to, the EU Savings Directive, or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any other law implementing or complying with, or introduced in order to conform to, the EU Savings Directive or any arrangement entered into between the Member States and certain third countries and territories in connection with such Directive.

2.8 Information exchange and the implementation of FATCA in Ireland

With effect from 1 July 2014 the Issuer may be obliged to report certain information in respect of certain U.S. holders of Notes to the Irish Revenue Commissioners who will then share that information with the U.S. tax authorities. These obligations stem from US legislation, the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**"), which may impose a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service ("**IRS**") to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 Ireland signed an Intergovernmental Agreement ("**IGA**") with the United States to Improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 as amended (which came into operation on 1 July 2014) (the "**Irish Regulations**") implementing the information disclosure obligations, Irish financial institutions such as the Issuer are required to report certain information with respect to U.S. holders of Notes to the Irish Revenue Commissioners. The Irish Revenue Commissioners will automatically provide that information annually to the IRS. The Issuer must obtain from holders of Notes the necessary information required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information may be sought from each holder and beneficial owner of the Notes. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Irish Revenue Commissioners regardless as to whether the Issuer holds any U.S. assets or whether there are any U.S. holders of the Notes. However to the extent that the Notes are held in a recognised clearing system the Issuer should have no reportable accounts in a tax year. In that event the Issuer is required to make a nil return for that year to the Irish Revenue Commissioners.

While the IGA and Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Issuer in respect of its assets, no assurance can be given in this regard. Investors who are in any doubt as to their position should consult their professional advisers.

2.9 Common Reporting Standard ("CRS")

The Common Reporting Standard ("**CRS**") framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Standard**") was published, involving the use of two main elements, the Competent Authority Agreement ("**CAA**") and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions ("**FIs**") relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and, as a result, the Standard is broadly similar to the FATCA requirements, albeit with numerous differences. One such difference is that no withholding tax is imposed under the Standard as it is under FATCA. Adoption of the Standard will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

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

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and creates a mandatory obligation for all Member States to exchange financial account information in respect of residents in other Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year. The Irish Finance Act 2015 contained measures necessary to implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the "**Regulations**"), giving effect to DAC II from 1 January 2016, came into operation on 31 December 2015.

Under the Regulations a reporting FI, such as the Issuer, is required to collect certain information (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate)) on holders of the Notes and on certain Controlling Persons (as defined in the CRS) in the case of the holder of the Notes being an Entity (as defined in the CRS), in order to identify accounts which are reportable to the Irish Revenue Commissioners. The Irish Revenue Commissioners shall in turn exchange such information with their counterparts in participating jurisdictions. However, to the extent that the Notes are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year. In that event the Issuer is required to make a nil return for that year to the Irish Revenue Commissioners. Further information in relation to the CRS and DAC II can be found on the Automatic Exchange of Information (AEOI) webpage on www.revenue.ie

3. Certain U.S. Federal Income Tax Considerations

General

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

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

- an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;
- a corporation (or other entity that is treated as a corporation for U.S. federal tax purposes) that is created or organised in or under the laws of the United States, any State thereof, or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons have the authority to control all of its substantial decisions.

For purposes of this summary, a "**Non-U.S. Holder**" is 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 for cash (and, in the case of the Rated Notes, 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 (such as any alternative minimum tax consequences) that may be relevant to particular investors or to investors subject to special treatment under the federal income tax laws (such as banks, thrifts, or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; mutual funds or real estate investment trusts; small business investment companies; S corporations; partnerships or investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal income tax purposes; U.S. Holders whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; retirement plans or other tax-exempt entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts; or "controlled foreign corporations" or "passive foreign investment companies" for U.S. federal income tax purposes). This summary also does not address the tax consequences to shareholders, or other equity holders in, or beneficiaries of, a holder of Notes, or any state, local or foreign tax consequences of the purchase, ownership or disposition of the Notes.

PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF 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. The Issuer intends to comply with the Trust Deed, including certain investment guidelines referenced therein (the "**U.S. Tax Guidelines**") to reduce the risk that it may be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes. Failure of the Issuer to comply with the U.S. Tax Guidelines may not give rise to a Note Event of Default under the Trust Deed or a "cause" event under the Investment Management Agreement and may not give rise to a claim against the Issuer or the Investment 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 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. Moreover, a change in law or its interpretation could result in the Issuer being treated as engaged in a trade or business in the United States for federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis. If it is determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer will be subject under the Code to the regular U.S. corporate income tax on its effectively connected taxable income, 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

General. 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 will treat the Rated Notes as indebtedness for U.S. federal, and to the extent permitted by law, state, and local income and franchise tax purposes. The Issuer's characterisations will be binding on all Noteholders, and the Trust Deed requires the Noteholders to treat the Rated Notes as indebtedness for U.S. federal, and to the extent permitted by law, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that one or more Classes of Rated Notes are equity in the Issuer. In addition, as discussed below under "*Recently Proposed Regulations*," the IRS recently issued proposed regulations that, if finalized in their current form, could treat Rated Notes as equity in the Issuer for periods during which those Rated Notes are held by a person that is related to 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 "*U.S. Federal Tax Treatment of U.S. Holders of Rated Notes Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes*" below.

Except as otherwise indicated, the balance of this summary assumes that all of the Rated Notes are treated as indebtedness of the Issuer for U.S. federal, state and local income and franchise tax purposes. Prospective investors in the Rated Notes should consult their tax advisors regarding the U.S. federal, state and local income and franchise tax consequences to the investors in the event their Rated Notes are treated as equity in the Issuer.

The Issuer will treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, and each holder by its purchase of a Subordinated Note agrees to treat the Subordinated Notes consistently with this treatment.

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 characterisation of the Notes as indebtedness or equity or changing the characterisation 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.

Recently Proposed Regulations. The IRS recently issued proposed regulations that, if finalized in their current form, could treat Rated Notes as equity in the Issuer for periods during which those Rated Notes are held by a person that is directly or indirectly connected to the Issuer through chains of 80 per cent. or greater ownership. Upon a subsequent sale of those Rated Notes by the related person, the determination of whether those Rated Notes are treated as indebtedness or equity for U.S. federal income tax purposes and the amount of OID (if any) on those Rated Notes will depend upon all facts and circumstances at that time, and no assurance can be given that those Rated Notes will have the same tax characteristics as the other Rated Notes of the same Class. Moreover, because all Rated Notes of a single Class will bear the same ISIN, investors may not be able to distinguish between the Rated Notes that were held by the related person and the Rated Notes that were not held by the related person, which could have material adverse consequences to holders of the Rated Notes that were not held by the related person (including a reduction in the liquidity of their Rated Notes). Investors should consult their own tax advisors regarding the consequences to them in the event that the proposed regulations are finalized.

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 or Class B Notes will include in gross income the U.S. dollar value of payments of stated interest accrued or received on their Notes, in accordance with their usual method of tax accounting, as ordinary interest income.

In general, U.S. Holders 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 that use the accrual method of accounting or that otherwise are required to accrue stated interest before receipt will calculate the U.S. dollar value of accrued interest based on the average euro-to-U.S. dollar spot exchange rate during the applicable Interest Period (or, with respect to an Interest Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder can elect to calculate the U.S. dollar value of accrued interest based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Interest Period (or, in the case of an Interest Period that spans two taxable years, at the euro-to-U.S. dollar spot exchange rate on the

last day of the U.S. Holder's taxable year) or, if the last day of the Interest Period is within five business days of the U.S. Holder's receipt of the payment, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

Accrual basis U.S. Holders 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 will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Interest Period (or, with respect to an Interest Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder can elect to calculate the U.S. dollar value of OID based on the euro-to U.S. dollar spot exchange rate on the last day of the applicable Interest Period (or, in the case of an Interest Period that spans two taxable years, the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Interest Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. It is possible, however, that the IRS could assert and a court could ultimately hold that some other method of accruing OID should apply.

U.S. Holders of Class A Notes or Class B Notes that are issued with OID also will recognise foreign currency exchange gain or loss on the receipt of 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 of a Class A Note or Class B Note will have a tax basis in its Note equal to the U.S. dollar value of the cost of such Note (based on the euro-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable Treasury regulations as a security traded on an established securities market and the U.S. Holder either uses the cash method of accounting, or uses the accrual method of accounting and so elects (which election must be applied consistently from year to year)), (i) increased by the U.S. dollar value of any amount includable in income by such U.S. Holder as OID (as described above), and (ii) reduced by the U.S. dollar value of payments of principal on such Note (based on the euro-to-U.S. dollar spot exchange rate on the date any such payments were received). A U.S. Holder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class A Note or Class B Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date that the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class A Note or Class B Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date or, in the case of a cash method or an electing method accrual method U.S. Holder, if the Notes are treated as traded on an established securities market under applicable Treasury regulations, the euro-to-U.S. dollar spot rate on the settlement date of such sale, exchange or retirement), less any accrued and unpaid interest, which will be taxable as described above,

and the holder's tax basis in such Note. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro to U.S. dollar spot exchange rate on such date) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date that the Note was acquired). 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.

Foreign exchange gain or loss generally will be realised only to the extent of the sum of the total gain or loss realised by a U.S. Holder in respect of payments of interest on and the proceeds of a sale, exchange or retirement of a Note.

Class C Notes, Class D Notes, Class E Notes and Class F Notes.

Original Issue Discount. The Issuer will treat the Class C Notes, Class D Notes, Class E Notes and Class F Notes as issued with OID for U.S. federal income tax purposes. The total amount of OID with respect to a Class C Note, Class D Note, Class E Note or Class F Note will equal the sum of all payments to be received under such Note less its issue price (the first price at which a substantial amount of Notes within the applicable Class was sold to investors). U.S. Holders of the Class C Notes, Class D Notes, Class E Notes, or Class F Notes will be required to include the U.S. dollar value of OID in advance of the receipt of cash attributable to such income. In general, U.S. Holders will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Interest Period (or, with respect to an Interest Period that spans two taxable years, at the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Holder's taxable year). Alternatively, a U.S. Holder can elect to calculate the U.S. dollar value of OID based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Interest Period (or, in the case of an Interest Period that spans two taxable years, the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder's taxable year) or, if the last day of the Interest Period is within five business days of the U.S. Holder's receipt of the payment of accrued OID, the euro-to-U.S. dollar spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS.

A U.S. Holder of Class C Notes, Class D Notes, Class E Notes or Class F Notes will be required to include OID in income as it accrues (regardless of the U.S. Holder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. Accruals of OID on the Class C Notes, Class D Notes, Class E Notes, and Class F Notes will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of EURIBOR used in setting the interest rate for the first Interest Period, and then adjusting the accrual for each subsequent Interest Period based on the difference between the value of EURIBOR used in setting interest for that subsequent Interest Period and the assumed rate. It is possible, however, that the IRS could assert, and a court could ultimately hold, that some other method of accruing OID on the Class C Notes, Class D Notes, Class E Notes, or Class F Notes should apply.

U.S. Holders of Class C Notes, Class D Notes, Class E Notes, or Class F Notes also will recognise foreign currency exchange gain or loss on the receipt of interest payments on their Class C Notes, Class D Notes, Class E Notes, or Class F 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 (based on the euro-to-U.S. dollar spot exchange rate on the date that the Note was acquired). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class C Note, Class D Note, Class E Note, or Class F Note, a U.S. Holder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement (as calculated above) and the holder's tax basis in such Note. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the euro-to-U.S. dollar spot exchange rate on the date that the Note was acquired). 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.

Foreign exchange gain or loss generally will be realised only to the extent of the sum of the total gain or loss realised by a U.S. Holder in respect of payments of interest on and the proceeds of a sale, exchange or retirement of a Note.

Re-Pricing.

The Issuer intends to treat the Re-Pricing of a Class of Rated Notes as a "modification" of the Notes within such Class for U.S. federal income tax purposes. If the Re-Pricing is treated as a "significant modification" for U.S. federal income tax purposes (which would generally include a Re-Pricing that changes the yield on the Class by more than the greater of (x) 0.25% or (y) 5% of the annual yield of the Class prior to the Re-Pricing), the Re-Pricing could cause a U.S. Holder that participates in the Re-Pricing to recognize gain for U.S. federal income tax purposes equal to the difference, if any, between (a)(i) the fair market value of the modified Notes (if the Class is treated as publicly traded) or their principal amount (if the Class is not treated as publicly traded), less (ii) any accrued and unpaid interest (which will be taxable as such), and (b) the U.S. Holder's tax basis in the Notes. Any gain will be long-term capital gain if the applicable Notes were held for more than one year at the time of the Re-Pricing, or otherwise short-term capital gain. The tax on any such gain may exceed the after-tax distributions on the modified Notes during the taxable year in which the Re-Pricing occurs, in which case the U.S. Holder would be required to fund its tax liability in respect of the gain from other sources. In the event that a Re-Pricing is treated as a significant modification for U.S. federal income tax purposes, it is possible that the U.S. Holder's holding period in respect of the modified Notes will begin on the day following the modification. U.S. Holders may not be permitted to recognize loss upon a Re-Pricing. Finally, a Re-Pricing could create or change the amount of any OID that U.S. Holders are required to include with respect to their Rated Notes. U.S. Holders should consult their tax advisors regarding the tax consequences of a Re-Pricing.

Alternative Characterisation.

It is possible that the Rated Notes could be treated as "contingent payment debt instruments" for U.S. federal income tax purposes. In this event, the timing of a U.S. Holder's OID inclusions could differ from that described above and any gain recognised on the sale, exchange, or retirement of such Notes would be treated as ordinary income and not as capital gain.

Receipt of Euro.

U.S. Holders will have a tax basis in any euro received in respect of the Notes on a sale, redemption, or other disposition of the Notes equal to the U.S. dollar value of the euro on that date. Any gain or loss recognised on a sale, exchange, or other disposition of those euro generally will be ordinary income or loss. A U.S. Holder that converts the euro into U.S. dollars on the date of receipt generally should not recognise ordinary income or loss in respect of the conversion.

Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes.

As described above under "*—U.S. Federal Tax Treatment of the Notes*," the Issuer intends to treat the Class E Notes and the Class F Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes, and the Trust Deed requires Noteholders to treat the Class E Notes and the Class F Notes as indebtedness for U.S. federal, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that the Class E Notes and/or the Class F Notes are equity in the Issuer for U.S. federal income tax purposes.

If the Class E Notes or the Class F Notes are treated as equity in the Issuer, because the Issuer will be a passive foreign investment company (a "**PFIC**") for U.S. federal income tax purposes, as described below in the context of the Subordinated Notes, 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/or the Class F Notes, or by filing a protective statement with the IRS preserving the U.S. Holder's ability to elect retroactively to treat the Issuer as a "qualified electing fund" (a "**QEF**") and so electing at the appropriate time. Such a U.S. Holder also will be required to file an annual PFIC report. The Issuer will provide, upon request, all information and documentation that a U.S. Holder of such Notes making a "protective" QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes at such Holder's expense.

If the Issuer holds any Portfolio Assets that are treated as equity in a foreign corporation for U.S. federal income tax purposes, and if the Class E Notes or Class F Notes are treated as equity in the Issuer, U.S. Holders of Class E Notes or Class F Notes, as applicable, could be treated as owning an indirect equity interest in a PFIC or a "controlled foreign corporation" (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 the issuer of a Portfolio Asset, and thus there can be no assurance that a U.S. Holder would be able to make the election with respect to any such issuer.

In addition, if the Class E Notes or the Class F Notes represent equity in the Issuer for U.S. federal income tax purposes, a U.S. Holder of such Notes would be required to file an IRS Form 926 with the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the U.S. Holder's purchase of Notes, at least 10 per cent. by value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such purchase exceeds $100,000. U.S. Holders may wish to file a "protective" IRS Form 926 with respect to their Class E Notes or Class F Notes.

Finally, if the Class E Notes or the Class F Notes represent equity in the Issuer, 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 or 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 and/or the Class F Notes are treated as equity in the Issuer.

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

Investment in a Passive Foreign Investment Company. The Issuer will constitute a PFIC for U.S. federal income tax purposes, and, U.S. Holders of Subordinated Notes (other than certain U.S. Holders that are subject to the rules pertaining to a CFC described below) will be considered shareholders in a PFIC and be subject to the PFIC rules. U.S. Holders should strongly 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 (in each case based on the average euro-to-U.S. dollar spot exchange rate for the Issuer's taxable year), whether or not distributed. A U.S. Holder's *pro rata* share of the Issuer's ordinary earnings and net capital gain will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations, and will not be "qualified dividend income." 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.

If the Issuer does not distribute all of its earnings in a taxable year, a U.S. Holder that makes a QEF election with respect to the Issuer may also be permitted to elect to defer payment of some or all of the taxes on the Issuer's income, subject to a nondeductible interest charge on the deferred amount. Prospective purchasers of Subordinated Notes should be aware that it is expected that the Portfolio Assets will include high-yield debt obligations and such instruments may have substantial OID, the cash payment of which may be deferred, perhaps for a substantial period of time. In addition, the Issuer may use proceeds from the sale of Portfolio Assets to retire other classes of Notes. As a result, in any given year, the Issuer may have substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax in excess of the distributions they receive from the Issuer, and therefore may be required to fund their tax liability in respect of the Notes from other sources.

To the extent that a U.S. Holder makes a QEF election other than in respect of the first taxable year it holds Notes, the U.S. Holder generally will be subject to a combination of the "Excess Distribution" rules described below and the QEF rules, unless it makes an election that is provided for in the Treasury regulations.

The Issuer will provide, upon request and at the Issuer's expense, 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 tax basis in the Subordinated Notes will not be available upon the death of an individual U.S. Holder who does not make a 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 constitute 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 Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes), determined with respect to aggregate value or aggregate outstanding principal amount, are owned directly, indirectly, or constructively by such 10 per cent. United States shareholders, the Issuer will be treated as a CFC. If, for any given taxable year, the Issuer is treated as a CFC, a 10 per cent. United States shareholder of the Issuer will be required to include as ordinary income an amount equal to the U.S. dollar value of that person's *pro rata* share of the Issuer's "subpart F income" at the end of such taxable year. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were 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 Portfolio Asset that is treated as equity in a foreign corporation for U.S. federal income tax purposes, U.S. Holders of Subordinated Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences.

In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from a PFIC, and thus there can be no assurance that a U.S. Holder will be able to make the election with respect to any indirectly held PFIC.

Accordingly, if the U.S. Holder has not made a QEF election with respect to the indirectly held PFIC, the U.S. Holder would be subject to the adverse consequences described above under "*—Investment in a Passive Foreign Investment Company*" with respect to any Excess Distributions of such indirectly held PFIC, any gain indirectly realised by such U.S. Holder on the sale by the Issuer of such PFIC, and any gain indirectly realised by such U.S. Holder with respect to the indirectly held PFIC on the sale by the U.S. Holder of its Subordinated Notes (which may arise even if the U.S. Holder realises a loss on such sale). Moreover, if the U.S. Holder has made a QEF election with respect to the indirectly held PFIC, the U.S. Holder will be required to include in income the U.S. dollar value of the U.S. Holder's *pro rata* share of the indirectly held PFIC's ordinary earnings and net capital gain as if the indirectly held PFIC were owned directly (as described above), and the U.S. Holder will not be permitted to use any losses or other expenses of the Issuer to offset such ordinary earnings and/or net capital gains. Accordingly, if any of the Portfolio Assets are treated as equity interests in a PFIC, U.S. Holders could experience significant amounts of "phantom" income with respect to such interests.

If a Portfolio Asset is treated as an indirect equity interest in a CFC and a U.S. Holder owns directly, indirectly, or constructively 10 per cent. or more of the 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 the amounts that exceed the distributions they receive on the Subordinated Notes. For example, if the Issuer is a CFC and a U.S. Holder is a 10 per cent. United States shareholder with respect to the Issuer, or a U.S. Holder makes a QEF election with respect to the Issuer, the U.S. Holder will be subject to federal income tax with respect to its share of the Issuer's income and gain (to the extent of the Issuer's "**earnings and profits**"), which may exceed the Issuer's distributions. It is expected that the Issuer's income and gain (and earnings and profits) will exceed cash distributions with respect to (i) debt instruments that were issued with OID and are held by the Issuer, and (ii) the acquisition at a discount of the Rated Notes by the Issuer (including by reason of a Refinancing or any deemed exchange that occurs for U.S. federal income tax purposes as a result of a Re-Pricing or a modification of the Trust Deed). U.S. Holders should consult their tax advisors regarding the timing of income and gain on the Subordinated Notes.

Distributions. The treatment of actual distributions on the Subordinated Notes, in very general terms, 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 U.S. Holders. 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 does not make a timely QEF election with respect to the Issuer then, except to the extent that distributions may be 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 allowed to corporations in respect of dividends received from other U.S. corporations, and will not be "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 subpart F income (as described above).

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 may be subject to reporting obligations with respect to their Notes if they do not hold their Notes in an account maintained by a financial institution and the aggregate value of their Notes and certain other "specified foreign financial assets" (applying certain attribution rules) exceeds $50,000. Significant penalties can apply if a U.S. Holder is required to disclose its Notes and fails to do so.

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

U.S. Holders that are individuals or estates and certain trusts are subject to an additional 3.8 per cent. tax on all or a portion of their "net investment income," or "undistributed net investment income" in the case of an estate or trust, which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married taxpayer filing a joint return (or a surviving spouse), $125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust (which, in 2016, is $12,400). 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 E Notes or Class F 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. U.S. Holders that provide a correct, complete, and accurate IRS Form W-9 generally will be exempt from U.S. backup withholding.

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 Ireland, the Issuer will not be subject to withholding under FATCA if it complies with Irish regulations that require the Issuer to provide the name, address and taxpayer identification number of, and certain other information with respect to, certain holders of Notes to the Office of Revenue Commissioners of Ireland, which would then provide this information to the IRS. The Issuer shall use reasonable best efforts to comply with the intergovernmental agreement and these regulations; however, there can be no assurance that the Issuer will be able to do so. Moreover, FATCA could be amended to require the Issuer to withhold on "passthru" payments to holders that fail to provide certain information to the Issuer or are certain "foreign financial institutions" that do not comply with FATCA.

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 (other than the Retention Notes), and, if the Noteholder does not sell its Notes (other than the Retention Notes) within 10 business days after notice from the Issuer, to sell the Noteholder's Notes on behalf of the Noteholder. There can be no assurance, however, that these measures will be effective, and that the Issuer and holders of the Notes will not be subject to withholding taxes under FATCA. The imposition of such taxes could materially affect the Issuer's ability to make payments on the Notes or could reduce such payments and the costs of compliance with FATCA may be significant.

Future Legislation and Regulatory Changes Affecting Holders of Notes

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.

CERTAIN EMPLOYEE BENEFIT PLAN CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain fiduciary standards and certain other requirements on employee benefit plans subject to Part 4, Subtitle B, Title I of ERISA, including entities such as collective investment funds, certain insurance company separate accounts, certain insurance company general accounts, and entities whose underlying assets are treated as being subject to Part 4, Subtitle B, Title I of ERISA (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 investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment should be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment, including, but not limited to, the matters discussed above under "Risk Factors" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Notes or any interest therein.

Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), prohibit certain transactions involving the assets of an ERISA Plan, as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans (together with ERISA Plans, "**Plans**"), and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code) having certain relationships to Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes or other liabilities under ERISA and the Code, and the transaction may have to be rescinded.

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 federal, state, local, non-U.S. or other laws or regulations (such as the prohibited transaction rules of Section 503 of the Code) that are substantially similar to the foregoing provisions of ERISA or the Code.

Under a regulation issued by the United States Department of Labor (29 C.F.R. Section 2510.3-101), as modified by Section 3(42) of ERISA (the "**Plan Assets Regulation**"), if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless either (a) immediately after the most recent acquisition of any equity interest in the entity, less than 25 per cent. of the total value of each class of equity interest in the entity is held by "Benefit Plan Investors" (disregarding equity interests held by certain persons, other than Benefit Plan Investors, with discretionary authority or control over the assets of the entity or who provide investment advice with respect to such assets for a fee, direct or indirect (such as the Investment Manager), or any affiliates of such persons (each a "**Controlling Person**")) (the "**25 per cent. Limitation**") or (b) the entity is an "operating company", as defined in the Plan Assets Regulation. It is not anticipated that the Issuer will qualify as an operating company. A "**Benefit Plan Investor**" means (1) an employee benefit plan (as defined in Section 3(3) of ERISA) subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, (2) a plan to which Section 4975 of the Code applies, or (3) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan and/or plan's investment in the entity, but only to the extent of the percentage of the equity interests in such entity that are held by Benefit Plan Investors.

If any Class of the Notes were deemed to be equity interests in the Issuer and no exception under ERISA or the Plan Assets Regulation applied, an undivided portion of the Issuer's assets would be deemed to be assets of each Plan that invests in those Notes. In such case, certain transactions that the Investment Manager might enter into, or may have entered into, on behalf of the Issuer, in the ordinary course of its business, might be deemed to constitute direct or indirect "prohibited transactions" under Section 406 of ERISA and/or Section 4975 of the Code with respect to such Plan investors and might have to be rescinded; the payment of certain of the fees to the Collateral Administrator might be considered to be a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code; the Investment Manager and other persons, in providing services with respect to the Issuer's assets, might be fiduciaries or other parties in interest or disqualified persons with respect to such Plans; and it is not clear whether the limitations of Section 403(a) of ERISA on the delegation of investment management responsibilities by fiduciaries of ERISA Plans or whether the rules of Section 404(b) of

ERISA and the regulations thereunder regarding maintenance of the indicia of ownership of the assets of an ERISA Plan outside the jurisdiction of the U.S. district courts would be satisfied.

The Plan Assets Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Although the Plan Assets Regulation is silent with respect to the question of which law constitutes applicable local law for this purpose, the Department of Labor has stated that these determinations should be made under the law governing interpretation of the instrument in question. In the preamble to the Plan Assets Regulation, the Department of Labor declined to provide a precise definition of what features are equity features or the circumstances under which such features would be considered "substantial", noting that the question of whether a Plan's interest has substantial equity features is an inherently factual one, but that in making a determination it would be appropriate to take into account whether the equity features are such that a Plan's investment would be a practical vehicle for the indirect provision of investment management services. There is little pertinent authority in this area.

Although there can be no assurance in this regard, based on the credit quality (as reflected by the credit rating assigned by each Rating Agency) of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the traditional debt characteristics of such Notes and the absence of rights to payment in excess of principal and stated interest under such Notes, the Issuer is treating the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes which are denominated as debt, as not being "equity interests" in the Issuer for purposes of ERISA and the Plan Assets Regulation.

There is a risk that the Class E Notes and the Class F Notes could constitute "equity interests" in the Issuer for purposes of ERISA and the Plan Assets Regulation. There is a risk that the Subordinated Notes would likely constitute "equity interests" in the Issuer for purposes of ERISA and the Plan Assets Regulation. Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in each of the Class E Notes, the Class F Notes and the Subordinated Notes. In reliance on representations made, or deemed made, by investors in the Class E Notes, the Class F Notes and the Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in the Class E Notes, the Class F Notes and the Subordinated Notes to less than the 25 per cent. Limitation. Each prospective purchaser (including a transferee) of a Class E Note, a Class F Note or a Subordinated Note will be required to make, or will be deemed to make, certain representations regarding its status as a Benefit Plan Investor and Controlling Person and other ERISA matters as described under the "*Transfer Restrictions*" section of this Offering Circular. No Class E Notes, Class F Notes or Subordinated Notes will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in holdings by Benefit Plan Investors exceeding the 25 per cent. Limitation. Except as otherwise provided by the Plan Assets Regulation, each Class E Note, Class F Note or Subordinated Note held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with the 25 per cent. Limitation.

Each of the Issuer, the Investment Manager, the Arranger, the Co-Arranger, the Initial Purchaser, the Collateral Administrator, the Trustee, the Agents and certain other parties, or their respective affiliates, may be the sponsor of, or investment adviser with respect to, one or more Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, whether or not the Notes are treated as equity interests in the Issuer, the purchase of such Notes using the assets of a Plan sponsored by any such parties or with respect to which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, Notes may not be purchased using the assets of any Plan if any of the Issuer, the Investment Manager, the Arranger, the Co-Arranger, the Initial Purchaser, the Collateral Administrator, the Trustee, the Agents, or their respective affiliates is the sponsor of such Plan, or has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption applies or the transaction is not otherwise a prohibited transaction).

In addition, if the Notes are acquired by a Plan with respect to which the Issuer, the Investment Manager, the Arranger, the Co-Arranger, the Initial Purchaser, the Collateral Administrator, the Trustee, the Agents, any holder of such Notes or any of their respective affiliates is a party in interest or a disqualified person, other than a sponsor of, or investment adviser with respect to, such Plan, such transaction could be deemed to be a prohibited transaction within the meaning of Section 406 of ERISA and/or Section 4975 of the Code. In addition, if a party in interest or disqualified person with respect to a Plan owns or acquires a 50 per cent. or more beneficial interest in the Issuer, the acquisition or holding of the Notes by or on behalf of such Plan could be considered to constitute a prohibited transaction. Moreover, the acquisition or holding of the Notes or other

indebtedness issued by the Issuer by or on behalf of a party in interest or disqualified person with respect to a Plan that owns or acquires an equity interest in the Issuer also could give rise to an indirect prohibited transaction. Certain exemptions from the prohibited transaction provisions of ERISA and Section 4975 of the Code could be applicable, however, to a Plan's acquisition of a Note depending in part upon the type of Plan fiduciary making the decision to acquire such Note and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("**PTCE**") 90-1, regarding investments by insurance company pooled separate accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 84-14, regarding transactions effected by a "qualified professional asset manager"; PTCE 96-23, regarding investments by certain "in-house asset managers"; and PTCE 95-60, regarding investments by insurance company general accounts. In addition to the class exemptions listed above, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide a statutory prohibited transaction exemption for transactions between a Plan and a person or entity that is a party in interest to such Plan solely by reason of providing services to the Plan (other than a party in interest that is a fiduciary, or its affiliate, that has or exercises discretionary authority or control or renders investment advice with respect to the assets of the Plan involved in the transaction), **provided that** there is adequate consideration for the transaction. Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might not cover all acts which might be construed as prohibited transactions.

EACH ACQUIRER AND EACH TRANSFEREE OF A CLASS A NOTE, A CLASS B NOTE, A CLASS C NOTE OR A CLASS D NOTE, OR ANY INTEREST RESPECTIVELY THEREIN, WILL BE DEEMED, OR REQUIRED IN WRITING, AS APPLICABLE, TO REPRESENT, WARRANT AND AGREE, THAT (1) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES OR ANY INTEREST THEREIN DOES NOT AND WILL NOT CONSTITUTE OR OTHERWISE RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW); AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER SUCH NOTES OR ANY INTEREST THEREIN OTHERWISE THAN TO AN ACQUIRER OR TRANSFEREE THAT IS DEEMED (OR, IF REQUIRED BY THE TRUST DEED, CERTIFIED) TO MAKE THESE SAME REPRESENTATIONS, WARRANTIES AND AGREEMENTS WITH RESPECT TO ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE.

EACH ACQUIRER AND EACH TRANSFEREE OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN THE FORM OF A REGULATION S GLOBAL CERTIFICATE OR A RULE 144A GLOBAL CERTIFICATE, (I) WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS IT RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE (SUBSTANTIALLY IN THE FORM OF ANNEX E (*FORM OF ERISA CERTIFICATE*)) TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (B) (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (A) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES OR INTEREST THEREIN WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR ANY INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO OTHER PLAN LAW ("**SIMILAR LAW**") AND (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES OR INTEREST

THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW AND (II) WILL AGREE TO CERTAIN TRANSFER RESTRICTIONS REGARDING ITS INTEREST IN SUCH NOTES.

EACH ACQUIRER AND EACH TRANSFEREE OF A CLASS E NOTE, A CLASS F NOTE OR A SUBORDINATED NOTE IN THE FORM OF A REG S DEFINITIVE CERTIFICATE OR A RULE 144A DEFINITIVE CERTIFICATE, (I) WILL BE REQUIRED TO REPRESENT AND WARRANT IN WRITING TO THE ISSUER THAT (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY SUCH NOTE OR INTEREST THEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS IT RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE (SUBSTANTIALLY IN THE FORM OF ANNEX E (*FORM OF ERISA CERTIFICATE*)) TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (B) (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (A) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTES OR INTEREST THEREIN WILL NOT BE, SUBJECT TO ANY SIMILAR LAW AND (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW AND (II) IT WILL AGREE TO CERTAIN TRANSFER RESTRICTIONS REGARDING ITS INTEREST IN SUCH NOTES.

THE ISSUER, THE INVESTMENT MANAGER, THE ARRANGER, THE RETENTION HOLDER, THE INITIAL PURCHASER, THE COLLATERAL ADMINISTRATOR, THE TRUSTEE AND THE AGENTS, AND THEIR RESPECTIVE AFFILIATES, SHALL BE ENTITLED TO CONCLUSIVELY RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS BY ACQUIRERS AND TRANSFEREES OF ANY NOTES WITHOUT FURTHER INQUIRY. THE ACQUIRER AND ANY FIDUCIARY CAUSING IT TO ACQUIRE AN INTEREST IN ANY NOTES AGREES TO INDEMNIFY AND HOLD HARMLESS THE ISSUER, THE INVESTMENT MANAGER, THE ARRANGER, THE CO-ARRANGER, THE RETENTION HOLDER, THE INITIAL PURCHASER, THE COLLATERAL ADMINISTRATOR, THE TRUSTEE AND THE AGENTS, AND THEIR RESPECTIVE AFFILIATES, FROM AND AGAINST ANY COST, DAMAGE OR LOSS INCURRED BY ANY OF THEM AS A RESULT OF ANY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS BEING OR BECOMING FALSE.

NO TRANSFER OF AN INTEREST IN THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES WILL BE PERMITTED OR RECOGNISED IF IT WOULD CAUSE THE 25 PER CENT. LIMITATION TO BE EXCEEDED WITH RESPECT TO THE CLASS E NOTES, THE CLASS F NOTES OR THE SUBORDINATED NOTES, RESPECTIVELY.

ANY PURPORTED ACQUISITION OR TRANSFER OF ANY NOTE OR BENEFICIAL INTEREST THEREIN TO AN ACQUIRER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE REQUIREMENTS DESCRIBED HEREIN SHALL BE NULL AND VOID AB INITIO, AND THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF ANY SUCH NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS DESCRIBED HEREIN IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

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.

A fiduciary of an ERISA Plan or other employee benefit plan that is subject to Other Plan Laws, prior to investing in the Notes or any interest therein, should take into account, among other considerations, whether the fiduciary has the authority to make the investment; the composition of the plan's portfolio with respect to diversification by type of asset; the plan's funding objectives; the tax effects of the investment; and whether,

under the general fiduciary standards of ERISA or other applicable laws, including investment prudence and diversification, an investment in the Notes or any interest therein is appropriate for the plan, taking into account the plan's particular circumstances and all of the facts and circumstances of the investment, including such matters as the overall investment policy of the plan and the composition of the plan's investment portfolio.

The sale of any Note or any interest therein to a Plan or a governmental, church, non-U.S. or other plan that is subject to any Other Plan Laws is in no respect a representation by the Issuer, the Investment Manager, the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Collateral Administrator, the Agents or the Trustee, or any of their respective affiliates, that such an investment meets all relevant legal requirements with respect to investments by such plans generally or any particular plan; that the prohibited transaction exemptions described above, or any other prohibited transaction exemption, would apply to such an investment by such plan in general or any particular plan; or that such an investment is appropriate for such plan generally or any particular plan.

The discussion of ERISA and Section 4975 of the Code contained in this Offering Circular, is, of necessity, general, and does not purport to be complete. Moreover, the provisions of ERISA and Section 4975 of the Code are subject to extensive and continuing administrative and judicial interpretation and review. Therefore, the matters discussed above may be affected by future regulations, rulings and court decisions, some of which may have retroactive application and effect.

Any Plan or employee benefit plan not subject to ERISA or Section 4975 of the Code, and any fiduciary thereof, proposing to invest in the Notes, or any interest respectively therein, should consult with its legal advisors regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA, Section 4975 of the Code and any Other Plan Laws, to such investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of any applicable requirement of ERISA, Section 4975 of the Code or Other Plan Laws.

PLAN OF DISTRIBUTION

Stifel, Nicolaus & Company, Inc. (in its capacity as Initial Purchaser) has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of Notes (the "**Subscribed Notes**") at the issue price of, in the case of the Class A Notes, 100.00 per cent., in the case of the Class B Notes, 100.00 per cent., in the case of the Class C Notes, 97.00 per cent., in the case of the Class D Notes, 99.43 per cent., in the case of the Class E Notes, 100.00 per cent., in the case of the Class F Notes, 100.00 per cent. and, in the case of the Subordinated Notes, 100.00 per cent. (in each case less subscription and underwriting fees to be agreed between the Issuer and the Initial Purchaser). Certain sales may also be co-arranged on behalf of the Issuer by Stifel, Nicolaus Europe Limited, an affiliate of the Initial Purchaser. The Subscription Agreement entitles the Initial Purchaser to terminate it in certain circumstances prior to payment being made to the Issuer. The Initial Purchaser may offer the Notes at varying prices in privately negotiated transactions at the time of sale. The Initial Purchaser may underwrite some or all of the Notes at prices which may or may not be different from the issue price.

The Retention Holder has agreed with the Issuer, the Trustee, the Investment Manager, the Collateral Administrator and the Initial Purchaser to purchase the Retention Notes pursuant to the Retention Undertaking Letter at the issue price therefor specified above.

Pursuant to the Subscription Agreement, the Issuer has agreed to indemnify the Initial Purchaser against certain liabilities or to contribute to payments it may be required to make in respect thereof.

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

No action has been or will be taken by the Issuer or the Initial Purchaser that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any other offering material in relation to the Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Initial Purchaser.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons or to U.S. Residents except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in the manner so as not to require the registration of the Issuer as an "investment company" pursuant to the Investment Company Act.

The Initial Purchaser proposes to sell the Notes (a) outside the United States to institutions that are non-U.S. Persons in offshore transactions in reliance on Regulation S and in accordance with applicable law and/or (b) in the United States (directly or through its U.S. broker dealer Affiliate) in reliance on Rule 144A only to or for the accounts of QIBs.

Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Initial Purchaser.

The Initial Purchaser has acknowledged and agreed that it will not offer, sell or deliver any Regulation S Notes to, or for the account or benefit of, any U.S. Person or U.S. Resident as part of their distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Regulation S Notes a confirmation or other notice setting forth the prohibition on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, any U.S. Person or U.S. Resident.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes of each Class on the Global Exchange Market of the Irish Stock Exchange. The Issuer and the Initial Purchaser reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Offering Circular to any such U.S. Person or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

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

United Kingdom

The Initial Purchaser has represented to and agreed with the Issuer that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes, from or otherwise involving the United Kingdom.

Ireland

The Initial Purchaser has represented to and agreed with the Issuer that:

(a) to the extent applicable, it will not underwrite the issue or placement of 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 issued in connection therewith, and the provisions of the Investor Compensation Act 1998;

(b) it will not underwrite the issue or placement of the Notes, otherwise than in conformity with the provisions of the Central Banks Acts 1942 to 2014 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;

(c) it will not underwrite the issue or placement of, or otherwise act in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued under Section 1363 of the Companies Act 2014, by the Central Bank; and

(d) it will not underwrite the issue or placement of, 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 1370 of the Companies Act 2014 by the Central Bank.

General

Each purchaser of the Notes must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Notes or possesses or distributes this Offering Circular and must obtain consent, approval or permission required for the purchase, offer or sale by it of such Notes under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales, and none of the Issuer, the Initial Purchaser, the Arranger, the Co-Arranger, the Retention Holder, the Investment Manager (or any of their Affiliates), the Trustee, any Agent or the Collateral Administrator specified herein shall have any responsibility therefor.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws. Investors should be aware that they may require to bear the financial risks of this investment for an indefinite period of time.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have made the representations set out in clauses (d), (f), (h) and (j) through (p) (inclusive) below under the heading "*Rule 144A Notes*" (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes) and to have further represented and agreed as follows:

(a) The purchaser is an institution located outside the United States and is not a U.S. Person.

(b) The purchaser understands that the Notes have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser and any of their Affiliates, that, if it decides to resell, pledge or otherwise transfer such Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a nominal amount of not less than €100,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note; or (ii) to an institution that is a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.

(c) The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Notes will bear a legend set out below.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES, THE CLASS D NOTES, THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL AND REGULATION S DEFINITIVE CERTIFICATES*.] [THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE 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 UNDER THE SECURITIES ACT AND, IN EITHER CASE, IN A PRINCIPAL AMOUNT OF NOT LESS THAN €100,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NEITHER U.S. PERSONS NOR U.S. RESIDENTS (AS DETERMINED FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT ("**US RESIDENTS**")) MAY HOLD AN INTEREST IN A REGULATION S GLOBAL CERTIFICATE OR A REGULATION S DEFINITIVE CERTIFICATE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OR TRANSFER OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET OUT HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET OUT IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET OUT HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE COLLATERAL ADMINISTRATOR OR THE REGISTRAR.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES AND THE CLASS D NOTES ONLY, AND IN THE FORM OF REGULATION S GLOBAL AND REGULATION S DEFINITIVE CERTIFICATES.*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS 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 OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR IS DEEMED (OR, IF REQUIRED BY THE TRUST DEED, CERTIFIED) TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES ONLY, AND IN THE FORM OF REGULATION S GLOBAL CERTIFICATES ONLY.*] [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WILL BE DEEMED TO REPRESENT AND WARRANT TO THE ISSUER 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 AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2)(A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST THEREIN 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 [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL OR TRANSFER ITS INTEREST IN THE [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE], OR MAY SELL OR TRANSFER SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES ONLY, AND IN THE FORM OF REGULATION S DEFINITIVE CERTIFICATES ONLY.*] [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WILL BE REQUIRED TO REPRESENT AND WARRANT TO THE ISSUER IN WRITING 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 (2)(A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST THEREIN 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 [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE

OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL OR TRANSFER ITS INTEREST IN THE [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE], OR MAY SELL OR TRANSFER SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES ONLY*.] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR U.S. FEDERAL INCOME TAX PURPOSES. HOLDERS MAY OBTAIN THE ISSUE PRICE, TOTAL AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY BY CONTACTING THE ISSUER AT 4th FLOOR, 3 GEORGE'S DOCK, IFSC, DUBLIN 1, D01 X5X0, IRELAND.]

(d) The purchaser acknowledges that the Issuer will and, the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Investment Manager or the Collateral Administrator and their Affiliates, and others may, rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(e) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons or U.S. Residents.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed that such person acknowledges that this Offering Circular is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser of Notes represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and Notes represented by Rule 144A Definitive Certificates will be required to represent and agree, as follows:

(a) 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 €100,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein to any subsequent transferees.

(b) 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 Rule 144A Notes, the Transfer Agent is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (b) shall be null and void *ab initio*.

(c) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(d) In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator or any Agent is acting as a fiduciary or financial or investment 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 Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator or any Agent other than in this Offering Circular for such Notes and any representations expressly set out in a written agreement with such party; (c) none of the Issuer, the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator or any Agent has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (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 judgement and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Investment Manager, the Collateral Administrator or any Agent; (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.

(e) The purchaser is acquiring the Rule 144A Notes in a principal amount of not less than €100,000. The purchaser and each such account is acquiring the Rule 144A Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (e) will be of no force and effect, will be void ab initio and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.

(f) (i) With respect to the purchase, holding and disposition of any Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to an acquiror acquiring such Notes (or interests therein) unless the acquiror is deemed (or, if required by the Trust Deed, certified) to make the foregoing representations, warranties and agreements described in clause (i) hereof.

(ii) (A) With respect to the Class E Notes, the Class F Notes or the Subordinated Notes in the form of a Rule 144A Global Certificate: (i)(A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer and provides an ERISA certificate (substantially in the form of Annex E (*Form of ERISA Certificate*)) to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (B)(1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes or interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (2) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Notes or interest therein will not constitute or result in a non-exempt violation of any Other Plan Law and (ii) it will agree to certain transfer restrictions regarding its interest in such Notes.

(B) With respect to acquiring or holding a Class E Note, a Class F Note or a Subordinated Note in the form of a Rule 144A Definitive Certificate it will be required to represent, warrant and agree in writing to the Issuer that (i)(A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, provides an ERISA certificate (substantially in the form of Annex E (Form of ERISA Certificate)) to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (B)(1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note or interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (2) if it is a governmental, church, non-U.S. plan or other plan, (x) it is not, and for so long as it holds such Note or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Note or interest therein will not constitute or result in a non-exempt violation of any Other Plan Law, and (ii) it will agree to certain transfer restrictions regarding its interest in such Note.

(iii) The purchaser acknowledges that the Issuer will and, the Arranger, the Co-Arranger, the Retention Holder, the Initial Purchaser, the Trustee, the Investment Manager and the Collateral Administrator and the Agents and their Affiliates, and others, may rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(iv) No transfer of an interest in the Class E Notes, the Class F Notes or the Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation to be exceeded with respect to the Class E Notes, the Class F Notes or the Subordinated Notes.

(v) Any purported transfer of the Notes in violation of the requirements set out in this Section (f) shall be null and void ab initio, and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this Section (f) in accordance with the terms of the Trust Deed.

(g) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set out below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of, within the United States, persons, or outside the United States, U.S. Persons that are not QIBs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES, THE CLASS D NOTES, THE CLASS E NOTES, THE CLASS F NOTES AND*

THE SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL AND RULE 144A DEFINITIVE CERTIFICATES.] [THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN EITHER CASE, IN A PRINCIPAL AMOUNT OF NOT LESS THAN €100,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NEITHER U.S. PERSONS NOR U.S. RESIDENTS (AS DETERMINED FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT ("**US RESIDENTS**")) MAY HOLD AN INTEREST IN A REGULATION S GLOBAL CERTIFICATE OR A REGULATION S DEFINITIVE CERTIFICATE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OR TRANSFER OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET OUT HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE NOTES IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY*.] [ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, THE NOMINEE OF THE DEPOSITORY TRUST COMPANY ("**DTC**"), NEW YORK, NEW YORK, HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF DTC TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF THE NOMINEE OF DTC OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO THE NOMINEE OF DTC).

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET OUT IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET OUT HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE COLLATERAL ADMINISTRATOR OR THE REGISTRAR.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, THE CLASS B NOTES, THE CLASS C NOTES AND THE CLASS D NOTES ONLY, AND IN THE FORM OF RULE 144A GLOBAL AND RULE 144A DEFINITIVE CERTIFICATES*.] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS 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 OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR IS DEEMED (OR, IF REQUIRED BY THE TRUST DEED, CERTIFIED) TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES ONLY, AND IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY*.] [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WILL BE DEEMED TO REPRESENT AND WARRANT TO THE ISSUER 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, AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2)(A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST THEREIN 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 [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS

OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL OR TRANSFER ITS INTEREST IN THE [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE], OR MAY SELL OR TRANSFER SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS 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 ONLY, AND IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY*.] [ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, THE NOMINEE OF THE DEPOSITORY TRUST COMPANY ("**DTC**"), NEW YORK, NEW YORK, HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF DTC TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF THE NOMINEE OF DTC OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO THE NOMINEE OF DTC).]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND THE SUBORDINATED NOTES ONLY, AND IN THE FORM OF RULE 144A DEFINITIVE CERTIFICATES ONLY*.] [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WILL BE REQUIRED TO REPRESENT AND WARRANT TO THE ISSUER IN WRITING 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 (2)(A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST THEREIN 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 [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE INVESTMENT MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] IN VIOLATION OF THE REQUIREMENTS SET OUT IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OR TRANSFER OF SUCH [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING [CLASS E NOTES]/[CLASS F NOTES]/[SUBORDINATED NOTES] (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE] WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL OR TRANSFER ITS INTEREST IN THE [CLASS E NOTE]/[CLASS F NOTE]/[SUBORDINATED NOTE], OR MAY SELL OR TRANSFER SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, CLASS D NOTES, CLASS E NOTES AND CLASS F NOTES ONLY*.] [THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR U.S. FEDERAL INCOME TAX PURPOSES. HOLDERS MAY OBTAIN THE ISSUE PRICE, TOTAL AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY BY CONTACTING THE ISSUER AT 4th FLOOR, 3 GEORGE'S DOCK, IFSC, DUBLIN 1, D01 X5X0, IRELAND.]

(h) 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.

(i) 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.

(j) The purchaser will treat the Issuer and the Notes as described in the "*Certain Tax Considerations - Certain U.S. Federal Income Tax Considerations*" section of the Offering Circular for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.

(k) The purchaser will timely furnish the Issuer and its agents with any tax forms or certifications (including IRS Form W-9 or an applicable IRS Form W-8 (together with appropriate attachments), or any successor 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, Treasury regulations, and any other applicable law, and will update or replace such forms or certifications as appropriate or in accordance with their terms or subsequent amendments thereto. The purchaser acknowledges that the failure to provide, update or replace any such forms or certifications may result in the imposition of withholding or back-up withholding on payments to the purchaser or to the Issuer. Amounts withheld pursuant to applicable tax laws will be treated as having been paid to the purchaser by the Issuer.

(l) The purchaser will 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/or the CRS and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the purchaser fails to provide such forms or certifications, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to tax under FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to such purchaser as compensation for any taxes to which the Issuer is subject under FATCA as a result of such failure or such purchaser's ownership of Notes, and (B) except with respect to the Retention Holder's ownership of Retention Notes, to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such purchaser's ownership of Notes, 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 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 taxes incurred by the Issuer in connection with such sale) to such purchaser as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. The purchaser agrees that the Issuer, the Trustee or their agents or representatives may (1) provide any information and documentation concerning its investment in its Notes to the Office of

Revenue Commissioners of Ireland, the U.S. Internal Revenue Service and any other relevant tax authority and (2) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA and/or the CRS.

(m) In the case of a purchaser of a Class E Note, Class F Note, or Subordinated Note that is not a "United States person" (as defined in Section 7701(a)(30) of the Code), the purchaser either: (A) is not a bank (within the meaning of Section 881(c)(3)(A) of the Code) or an affiliate of a bank; (B) (x) after giving effect to its purchase of Class E Notes, Class F Notes, or Subordinated Notes (as applicable), it will not directly or indirectly own more than 33-1/3 per cent., by value, of the aggregate of the Notes within such Class and any other Notes that are ranked *pari passu* with or are subordinated to such Notes, and will not otherwise be related to the Issuer (within the meaning of Treasury regulations section 1.881-3) 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 Portfolio Assets if the Portfolio Assets were held directly by the purchaser); or (C) has provided an IRS Form W-8ECI representing that all payments received or to be received by it from the Issuer are effectively connected with the conduct of a trade or business in the United States.

(n) In the case of a purchaser of Subordinated Notes, if it owns more than 50 per cent. of the Subordinated Notes by value or is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury regulations section 1.1471-5T(i) (or any successor provision)), it will (A) ensure 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 such purchaser with an express waiver of this clause (n).

(o) In the case of a purchaser of Subordinated Notes, it will not 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.

(p) No purchase or transfer of a Subordinated Note in the form of a Definitive Certificate will be recorded or otherwise recognised unless the purchaser or transferee has provided the Issuer with certificates substantially in the form of Annex E hereto (*Form of ERISA Certificate*).

(q) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to require any Non-Permitted Holder or Non-Permitted ERISA Holder to sell or transfer its interest in the Notes, or may sell or transfer such interest in its Notes on behalf of such Non-Permitted Holder or Non-Permitted ERISA Holder in accordance with the Conditions.

GENERAL INFORMATION

Clearing Systems

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

	Regulation S Notes		Rule 144 A Notes	
	ISIN	**Common Code**	**ISIN**	**CUSIP Code**
Class A Notes	XS1386390709	138639070	US10011WAA36	10011WAA3
Class B Notes	XS1386391186	138639118	US10011WAB19	10011WAB1
Class C Notes	XS1386391699	138639169	US10011WAC91	10011WAC9
Class D Notes	XS1386391855	138639185	US10011WAD74	10011WAD7
Class E Notes.....	XS1386392077	138639207	US10011WAE57	10011WAE5
Class F Notes.....	XS1386392150	138639215	US10011WAF23	10011WAF2
Subordinated Notes.....	XS1386392317	138639231	US10011WAG06	10011WAG0

Listing

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its Global Exchange Market. It is anticipated that listing and admission to trading will take place on or about the Issue Date. There can be no assurance that such listing and admission to trading will be granted or maintained. Upon approval by and filing with the Irish Stock Exchange, this document will constitute a "listing particulars" for the purposes of such application. The final copy of the "listing particulars" will be available from the website of the Irish Stock Exchange.

It is expected that the total expenses related to admission to trading will be approximately €5,000 (inclusive of VAT).

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolution of the board of Directors passed on 25 April 2016.

No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since its incorporation on 8 September 2015 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.

Accounts

Since the date of its incorporation, other than entering into the Initial Collateral Acquisition Agreements and committing to acquire the Initial Portfolio Assets pursuant to them, 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 by physical or electronic means at the specified offices of the Paying Agents during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 31 December 2016. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis and otherwise promptly on request that no Note Event of Default or Potential Note Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

Listing Agent

A&L Listing Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on its Global Exchange Market.

Documents Available

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

(a) the constitution of the Issuer;

(b) the Administration Agreement;

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

(d) the Collateral Administration and Agency Agreement;

(e) the Investment Management Agreement;

(f) the Euroclear Pledge Agreement;

(g) the Retention Undertaking Letter;

(h) each Monthly Report; and

(i) each Payment Date Report.

Enforceability of Judgments

The Issuer is a company organised under the laws of Ireland. None of the Directors and executive officers of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon civil liability provisions of the securities laws of the United States or any State or territory within the United States.

Websites

Any website mentioned in this Offering Circular does not form part of this Offering Circular prepared for the purpose of seeking admission to the Official List of the Irish Stock Exchange and to trading on its Global Exchange Market.

ANNEX A

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ANNEX B

S&P Recovery Rates

(a) If a Portfolio Asset has an S&P Recovery Rating, or is *pari passu* with another obligation of the same Obligor that has an S&P Recovery Rating and is secured by the same collateral as such other obligation, the S&P Recovery Rate for such Portfolio Asset shall be determined as follows:

S&P Recovery Rating of a Portfolio Asset	Recovery range from S&P published reports*	Liability Rating					
		"AAA"	"AA"	"A"	"BBB"	"BB"	"B"/"CCC"
1+	100	75 per cent.	85 per cent.	88 per cent.	90 per cent.	92 per cent.	95 per cent.
1	90-100	65 per cent.	75 per cent.	80 per cent.	85 per cent.	90 per cent.	95 per cent.
2	80-90	60 per cent.	70 per cent.	75 per cent.	81 per cent.	86 per cent.	90 per cent.
2	70-80	50 per cent.	60 per cent.	66 per cent.	73 per cent.	79 per cent.	80 per cent.
3	60-70	40 per cent.	50 per cent.	56 per cent.	63 per cent.	67 per cent.	70 per cent.
3	50-60	30 per cent.	40 per cent.	46 per cent.	53 per cent.	59 per cent.	60 per cent.
4	40-50	27 per cent.	35 per cent.	42 per cent.	46 per cent.	48 per cent.	50 per cent.
4	30-40	20 per cent.	26 per cent.	33 per cent.	39 per cent.	40 per cent.	40 per cent.
5	20-30	15 per cent.	20 per cent.	24 per cent.	26 per cent.	28 per cent.	30 per cent.
5	10-20	5 per cent.	10 per cent.	15 per cent.	20 per cent.	20 per cent.	20 per cent.
6	0-10	2 per cent.	4 per cent.	6 per cent.	8 per cent.	10 per cent.	10 per cent.

* If a recovery range is not available from S&P's published reports for a given loan with a S&P Assigned Recovery Rating of '2' through '5', the lower recovery range for the applicable recovery rating shall be assumed.

If (x) a Portfolio Asset does not have an S&P Recovery Rating and such Portfolio Asset is a senior unsecured obligation and (y) the Obligor of such Portfolio Asset has issued another debt instrument that is outstanding and senior to such Portfolio Asset that is a Senior Secured Loan or Senior Secured Bond (a "**Senior Secured Debt Instrument**") that has an S&P Recovery Rating, the S&P Recovery Rate for such Portfolio Asset shall be determined as follows:

For Portfolio Assets Domiciled in Group A

S&P Recovery Rating of the Senior Secured Debt Instrument	Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B"/"CCC"
1+	18 per cent.	20 per cent.	23 per cent.	26 per cent.	29 per cent.	31 per cent.
1	18 per cent.	20 per cent.	23 per cent.	26 per cent.	29 per cent.	31 per cent.
2	18 per cent.	20 per cent.	23 per cent.	26 per cent.	29 per cent.	31 per cent.
3	12 per cent.	15 per cent.	18 per cent.	21 per cent.	22 per cent.	23 per cent.
4	5 per cent.	8 per cent.	11 per cent.	13 per cent.	14 per cent.	15 per cent.
5	2 per cent.	4 per cent.	6 per cent.	8 per cent.	9 per cent.	10 per cent.
6	– per cent.	– per cent.	– per cent.	– per cent.	– per cent.	– per cent.
	Recovery rate					

For Portfolio Assets Domiciled in Group B

S&P Recovery Rating of the Senior Secured Debt Instrument	Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B"/"CCC"
1+	16 per cent.	18 per cent.	21 per cent.	24 per cent.	27 per cent.	29 per cent.
1	16 per cent.	18 per cent.	21 per cent.	24 per cent.	27 per cent.	29 per cent.
2	16 per cent.	18 per cent.	21 per cent.	24 per cent.	27 per cent.	29 per cent.
3	10 per cent.	13 per cent.	15 per cent.	18 per cent.	19 per cent.	20 per cent.
4	5 per cent.	5 per cent.	5 per cent.	5 per cent.	5 per cent.	5 per cent.
5	2 per cent.	2 per cent.	2 per cent.	2 per cent.	2 per cent.	2 per cent.
6	– per cent.	– per cent.	– per cent.	– per cent.	– per cent.	– per cent.

For Portfolio Assets Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B"/"CCC"
1+	13 per cent.	16 per cent.	18 per cent.	21 per cent.	23 per cent.	25 per cent.
1	13 per cent.	16 per cent.	18 per cent.	21 per cent.	23 per cent.	25 per cent.
2	13 per cent.	16 per cent.	18 per cent.	21 per cent.	23 per cent.	25 per cent.
3	8 per cent.	11 per cent.	13 per cent.	15 per cent.	16 per cent.	17 per cent.
4	5 per cent.	5 per cent.	5 per cent.	5 per cent.	5 per cent.	5 per cent.
5	2 per cent.	2 per cent.	2 per cent.	2 per cent.	2 per cent.	2 per cent.
6	– per cent.	– per cent.	– per cent.	– per cent.	– per cent.	– per cent.

If (x) a Portfolio Asset does not have an S&P Recovery Rating and such Portfolio Asset is not a senior unsecured obligation or a Senior Secured Debt Instrument and (y) the Obligor of such Portfolio Asset has issued another debt instrument that is outstanding and senior to such Portfolio Asset that is a Senior Secured Debt Instrument that has an S&P Recovery Rating, the S&P Recovery Rate for such Portfolio Asset shall be determined as follows:

For Portfolio Assets Domiciled in Groups A, B and C

S&P Recovery Rating of the Senior Secured Debt Instrument	Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B"/"CCC"
1+	8 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.
1	8 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.
2	8 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.
3	5 per cent.	5 per cent.	5 per cent.	5 per cent.	5 per cent.	5 per cent.
4	2 per cent.	2 per cent.	2 per cent.	2 per cent.	2 per cent.	2 per cent.
5	– per cent.	– per cent.	– per cent.	– per cent.	– per cent.	– per cent.
6	– per cent.	– per cent.	– per cent.	– per cent.	– per cent.	– per cent.

S&P Recovery Rate

(b) If an S&P Recovery Rate cannot be determined using the above clause (a), the S&P Recovery Rate shall be determined as follows:

Recovery rates for obligors Domiciled in Group A, B, C or D:

Priority Category	Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B"/"CCC"
Senior Secured Loans (excluding Cov-Lite Loans)						
Group A	50 per cent.	55 per cent.	59 per cent.	63 per cent.	75 per cent.	79 per cent.
Group B	45 per cent.	49 per cent.	53 per cent.	58 per cent.	70 per cent.	74 per cent.
Group C	39 per cent.	42 per cent.	46 per cent.	49 per cent.	60 per cent.	63 per cent.
Group D	17 per cent.	19 per cent.	27 per cent.	29 per cent.	31 per cent.	34 per cent.
Senior Secured Loans that are Cov-Lite Loans and Senior Secured Bonds						
Group A	41 per cent.	46 per cent.	49 per cent.	53 per cent.	63 per cent.	67 per cent.
Group B	37 per cent.	41 per cent.	44 per cent.	49 per cent.	59 per cent.	62 per cent.
Group C	32 per cent.	35 per cent.	39 per cent.	41 per cent.	50 per cent.	53 per cent.
Group D	17 per cent.	19 per cent.	27 per cent.	29 per cent.	31 per cent.	34 per cent.
Unsecured Loans, Mezzanine Loans and Second Lien Loans						
Group A	18 per cent.	20 per cent.	23 per cent.	26 per cent.	29 per cent.	31 per cent.
Group B	16 per cent.	18 per cent.	21 per cent.	24 per cent.	27 per cent.	29 per cent.
Group C	13 per cent.	16 per cent.	18 per cent.	21 per cent.	23 per cent.	25 per cent.
Group D	10 per cent.	12 per cent.	14 per cent.	16 per cent.	18 per cent.	20 per cent.

Priority Category	Liability Rating					
	"AAA"	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B"/"CCC"**
Subordinated loans						
Group A	8 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.	8 per cent.
Group B	10 per cent.	10 per cent.	10 per cent.	10 per cent.	10 per cent.	10 per cent.
Group C	9 per cent.	9 per cent.	9 per cent.	9 per cent.	9 per cent.	9 per cent.
Group D	5 per cent.	5 per cent.	5 per cent.	5 per cent.	5 per cent.	5 per cent.

Group A: Australia, Denmark, Finland, Hong Kong, Ireland, The Netherlands, New Zealand, Norway, Singapore, Sweden, UK.

Group B: Austria, Belgium, Canada, Germany, Israel, Japan, Luxembourg, Portugal, South Africa, Switzerland, U.S.

Group C: Brazil, France, Greece, Italy, Mexico, South Korea, Spain, Taiwan, Turkey, United Arab Emirates.

Group D: Kazakhstan, Russia, Ukraine, others

For the purposes of the above, "**S&P Recovery Rating**" means, with respect to a Portfolio Asset for which an S&P Recovery Rate is being determined, the "Recovery Rating" assigned by S&P to such Portfolio Asset based upon the tables set forth in this Annex B (*S&P Recovery Rates*).

ANNEX C

S&P DEFAULT RATE TABLE

	Rating									
Tenor	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
0	0	0	0	0	0	0	0	0	0	0
1	0.003249	0.008324	0.017659	0.049443	0.100435	0.198336	0.305284	0.403669	0.461619	0.524294
2	0.015699	0.036996	0.073622	0.139938	0.257400	0.452472	0.667329	0.892889	1.091719	1.445989
3	0.041484	0.091325	0.172278	0.276841	0.474538	0.770505	1.100045	1.484175	1.895696	2.702054
4	0.084784	0.176281	0.317753	0.464897	0.755269	1.158808	1.613532	2.186032	2.867799	4.229668
5	0.149746	0.296441	0.513749	0.708173	1.102407	1.621846	2.213969	3.000396	3.994693	5.969443
6	0.240402	0.455938	0.763415	1.009969	1.517930	2.162163	2.903924	3.924151	5.258484	7.867654
7	0.360599	0.658408	1.069266	1.372767	2.002861	2.780489	3.682872	4.950544	6.639097	9.877442
8	0.513925	0.906953	1.433135	1.798206	2.557255	3.475934	4.547804	6.070420	8.116014	11.959164
9	0.703660	1.204112	1.856168	2.287090	3.180245	4.246223	5.493831	7.273226	9.669463	14.080160
10	0.932722	1.551859	2.338835	2.839430	3.870134	5.087962	6.514747	8.547804	11.281152	16.214169
11	1.203636	1.951593	2.880967	3.454496	4.624506	5.996889	7.603506	9.882975	12.934676	18.340556
12	1.518511	2.404163	3.481806	4.130896	5.440351	6.968119	8.752625	11.267955	14.615674	20.443492
13	1.879017	2.909885	4.140061	4.866660	6.314188	7.996356	9.954495	12.692626	16.311827	22.511146
14	2.286393	3.468577	4.853976	5.659322	7.242183	9.076083	11.201627	14.147698	18.012750	24.534955
15	2.741441	4.079595	5.621395	6.506018	8.220258	10.201710	12.486816	15.624793	19.709826	26.508977
16	3.244545	4.741882	6.439830	7.403564	9.244188	11.367700	13.803266	17.116461	21.396011	28.429339
17	3.795687	5.454010	7.306523	8.348542	10.309683	12.568668	15.144662	18.616162	23.065636	30.293780
18	4.394473	6.214227	8.218512	9.337373	11.412464	13.799448	16.505206	20.118217	24.714212	32.101269
19	5.040161	7.020506	9.172684	10.366381	12.548315	15.055145	17.879633	21.617740	26.338248	33.851709
20	5.731690	7.870595	10.165829	11.431855	13.713133	16.331168	19.263208	23.110574	27.935091	35.545692
21	6.467720	8.762054	11.194685	12.530097	14.902967	17.623250	20.651699	24.593206	29.502784	37.184306
22	7.246658	9.692304	12.255978	13.657463	16.114039	18.927451	22.041357	26.062700	31.039941	38.768990
23	8.066698	10.658664	13.346459	14.810401	17.342769	20.240163	23.428880	27.516624	32.545643	40.301420
24	8.925853	11.658386	14.462930	15.985473	18.585784	21.558096	24.811375	28.952986	34.019346	41.783417
25	9.821992	12.688687	15.602275	17.179384	19.839925	22.878270	26.186325	30.370173	35.460813	43.216885
26	10.752863	13.746781	16.761474	18.388990	21.102252	24.197998	27.551553	31.766900	36.870044	44.603759
27	11.716131	14.829898	17.937621	19.611314	22.370042	25.514868	28.905184	33.142161	38.247233	45.945970
28	12.709401	15.935312	19.127936	20.843553	23.640779	26.826725	30.245615	34.495190	39.592717	47.245417
29	13.730244	17.060358	20.329775	22.083077	24.912158	28.131652	31.571487	35.825422	40.906950	48.503948
30	14.776220	18.202443	21.540635	23.327436	26.182066	29.427952	32.881653	37.132462	42.190470	49.723352

	Rating								
Tenor	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-
0	0	0	0	0	0	0	0	0	0
1	1.051627	2.109451	2.600238	3.221175	7.848052	10.882127	15.688600	20.494984	25.301275
2	2.499656	4.644348	5.872070	7.597534	14.781994	20.010198	28.039819	34.622676	40.104827
3	4.296729	7.475880	9.536299	12.379110	20.934989	27.616832	37.429809	44.486183	49.823181
4	6.375706	10.488373	13.369967	17.163869	26.396576	33.956728	44.585491	51.602827	56.644894
5	8.664544	13.586821	17.214556	21.748448	31.246336	39.272130	50.135335	56.922985	61.661407
6	11.095356	16.697807	20.966483	26.041061	35.559617	43.770645	54.540771	61.035699	65.491579
7	13.609032	19.767400	24.563596	30.011114	39.406428	47.620000	58.122986	64.312999	68.512300
8	16.156890	22.757944	27.972842	33.660308	42.849805	50.951513	61.102369	66.995611	70.963159

	Rating								
Tenor	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-
9	18.700581	25.644678	31.180555	37.006268	45.945037	53.866495	63.630626	69.243071	73.001159
10	21.211084	28.412675	34.185384	40.073439	48.739741	56.442784	65.813448	71.163565	74.731801
11	23.667314	31.054264	36.993388	42.888153	51.274446	58.740339	67.725700	72.832114	76.227640
12	26.054666	33.566968	39.614764	45.476090	53.583431	60.805678	69.421440	74.301912	77.539705
13	28.363660	35.951906	42.061729	47.861084	55.695612	62.675243	70.940493	75.611515	78.704697
14	30.588762	38.212600	44.347194	50.064659	57.635391	64.377918	72.312813	76.789485	79.749592
15	32.727407	40.354091	46.483968	52.105958	59.423407	65.936872	73.561381	77.857439	80.694661
16	34.779204	42.382307	48.484306	54.001869	61.077177	67.370926	74.704179	78.832075	81.555449
17	36.745314	44.303617	50.359673	55.767228	62.611640	68.695550	75.755528	79.726540	82.344119
18	38.627975	46.124519	52.120647	57.415059	64.039598	69.923606	76.727026	80.551376	83.070367
19	40.430133	47.851440	53.776900	58.956797	65.372082	71.065901	77.628212	81.315171	83.742047
20	42.155172	49.490597	55.337225	60.402500	66.618643	72.131608	78.467035	82.025027	84.365628
21	43.806716	51.047918	56.809591	61.761037	67.787598	73.128577	79.250199	82.686894	84.946502
22	45.388482	52.528995	58.201208	63.040250	68.886224	74.063579	79.983418	83.305814	85.489225
23	46.904180	53.939064	59.518589	64.247092	69.920916	74.942503	80.671609	83.886103	85.997683
24	48.357444	55.282998	60.767623	65.387746	70.897320	75.770492	81.319036	84.431487	86.475223
25	49.751780	56.565320	61.953636	66.467726	71.820441	76.552075	81.929422	84.945209	86.924750
26	51.090543	57.790210	63.081447	67.491964	72.694731	77.291249	82.506039	85.430110	87.348805
27	52.376916	58.961526	64.155419	68.464885	73.524165	77.991566	83.051779	85.888693	87.749621
28	53.613901	60.082826	65.179512	69.390464	74.312302	78.656191	83.569207	86.323175	88.129173
29	54.804319	61.157385	66.157321	70.272285	75.062339	79.287952	84.060611	86.735528	88.489217
30	55.950815	62.188218	67.092112	71.113583	75.777155	79.889391	84.528038	87.127511	88.831318

ANNEX D

S&P REGIONAL DIVERSITY MEASURE TABLE

Region Code	Region Name	Country Code	Country Name
17	Africa: Eastern	253	Djibouti
17	Africa: Eastern	291	Eritrea
17	Africa: Eastern	251	Ethiopia
17	Africa: Eastern	254	Kenya
17	Africa: Eastern	252	Somalia
17	Africa: Eastern	249	Sudan
12	Africa: Southern	247	Ascension
12	Africa: Southern	267	Botswana
12	Africa: Southern	266	Lesotho
12	Africa: Southern	230	Mauritius
12	Africa: Southern	264	Namibia
12	Africa: Southern	248	Seychelles
12	Africa: Southern	27	South Africa
12	Africa: Southern	290	St. Helena
12	Africa: Southern	268	Swaziland
13	Africa: Sub-Saharan	244	Angola
13	Africa: Sub-Saharan	226	Burkina Faso
13	Africa: Sub-Saharan	257	Burundi
13	Africa: Sub-Saharan	225	Cote d'lvoire
13	Africa: Sub-Saharan	240	Equatorial Guinea
13	Africa: Sub-Saharan	241	Gabonese Republic
13	Africa: Sub-Saharan	220	Gambia
13	Africa: Sub-Saharan	233	Ghana
13	Africa: Sub-Saharan	224	Guinea
13	Africa: Sub-Saharan	245	Guinea-Bissau
13	Africa: Sub-Saharan	231	Liberia
13	Africa: Sub-Saharan	261	Madagascar
13	Africa: Sub-Saharan	265	Malawi
13	Africa: Sub-Saharan	223	Mali
13	Africa: Sub-Saharan	222	Mauritania
13	Africa: Sub-Saharan	258	Mozambique
13	Africa: Sub-Saharan	227	Niger
13	Africa: Sub-Saharan	234	Nigeria
13	Africa: Sub-Saharan	250	Rwanda
13	Africa: Sub-Saharan	239	Sao Tome & Principe
13	Africa: Sub-Saharan	221	Senegal
13	Africa: Sub-Saharan	232	Sierra Leone
13	Africa: Sub-Saharan	255	Tanzania/Zanzibar
13	Africa: Sub-Saharan	228	Togo
13	Africa: Sub-Saharan	256	Uganda
13	Africa: Sub-Saharan	260	Zambia
13	Africa: Sub-Saharan	263	Zimbabwe

Region Code	Region Name	Country Code	Country Name
13	Africa: Sub-Saharan	229	Benin
13	Africa: Sub-Saharan	237	Cameroon
13	Africa: Sub-Saharan	238	Cape Verde Islands
13	Africa: Sub-Saharan	236	Central African Republic
13	Africa: Sub-Saharan	235	Chad
13	Africa: Sub-Saharan	269	Comoros
13	Africa: Sub-Saharan	242	Congo-Brazzaville
13	Africa: Sub-Saharan	243	Congo-Kinshasa
3	Americas: Andean	591	Bolivia
3	Americas: Andean	57	Colombia
3	Americas: Andean	593	Ecuador
3	Americas: Andean	51	Peru
3	Americas: Andean	58	Venezuela
4	Americas: Mercosur and Southern Cone	54	Argentina
4	Americas: Mercosur and Southern Cone	55	Brazil
4	Americas: Mercosur and Southern Cone	56	Chile
4	Americas: Mercosur and Southern Cone	595	Paraguay
4	Americas: Mercosur and Southern Cone	598	Uruguay
1	Americas: Mexico	52	Mexico
2	Americas: Other Central and Caribbean	1264	Anguilla
2	Americas: Other Central and Caribbean	1268	Antigua
2	Americas: Other Central and Caribbean	1242	Bahamas
2	Americas: Other Central and Caribbean	246	Barbados
2	Americas: Other Central and Caribbean	501	Belize
2	Americas: Other Central and Caribbean	441	Bermuda
2	Americas: Other Central and Caribbean	284	British Virgin Islands
2	Americas: Other Central and Caribbean	345	Cayman Islands
2	Americas: Other Central and Caribbean	506	Costa Rica
2	Americas: Other Central and Caribbean	809	Dominican Republic
2	Americas: Other Central and Caribbean	503	El Salvador
2	Americas: Other Central and Caribbean	473	Grenada
2	Americas: Other Central and Caribbean	590	Guadeloupe
2	Americas: Other Central and Caribbean	502	Guatemala
2	Americas: Other Central and Caribbean	504	Honduras
2	Americas: Other Central and Caribbean	876	Jamaica
2	Americas: Other Central and Caribbean	596	Martinique
2	Americas: Other Central and Caribbean	505	Nicaragua
2	Americas: Other Central and Caribbean	507	Panama
2	Americas: Other Central and Caribbean	869	St. Kitts/Nevis
2	Americas: Other Central and Caribbean	758	St. Lucia
2	Americas: Other Central and Caribbean	784	St. Vincent & Grenadines
2	Americas: Other Central and Caribbean	597	Suriname
2	Americas: Other Central and Caribbean	868	Trinidad& Tobago
2	Americas: Other Central and Caribbean	649	Turks & Caicos
2	Americas: Other Central and Caribbean	297	Aruba
2	Americas: Other Central and Caribbean	53	Cuba

Region Code	Region Name	Country Code	Country Name
2	Americas: Other Central and Caribbean	599	Curacao
2	Americas: Other Central and Caribbean	767	Dominica
2	Americas: Other Central and Caribbean	594	French Guiana
2	Americas: Other Central and Caribbean	592	Guyana
2	Americas: Other Central and Caribbean	509	Haiti
2	Americas: Other Central and Caribbean	664	Montserrat
101	Americas: U.S. and Canada	2	Canada
101	Americas: U.S. and Canada	1	USA
7	Asia: China, Hong Kong, Taiwan	86	China
7	Asia: China, Hong Kong, Taiwan	852	Hong Kong
7	Asia: China, Hong Kong, Taiwan	886	Taiwan
5	Asia: India, Pakistan and Afghanistan	93	Afghanistan
5	Asia: India, Pakistan and Afghanistan	91	India
5	Asia: India, Pakistan and Afghanistan	92	Pakistan
6	Asia: Other South	880	Bangladesh
6	Asia: Other South	975	Bhutan
6	Asia: Other South	960	Maldives
6	Asia: Other South	977	Nepal
6	Asia: Other South	94	Sri Lanka
8	Asia: Southeast, Korea and Japan	673	Brunei
8	Asia: Southeast, Korea and Japan	855	Cambodia
8	Asia: Southeast, Korea and Japan	62	Indonesia
8	Asia: Southeast, Korea and Japan	81	Japan
8	Asia: Southeast, Korea and Japan	856	Laos
8	Asia: Southeast, Korea and Japan	60	Malaysia
8	Asia: Southeast, Korea and Japan	95	Myanmar
8	Asia: Southeast, Korea and Japan	850	North Korea
8	Asia: Southeast, Korea and Japan	63	Philippines
8	Asia: Southeast, Korea and Japan	65	Singapore
8	Asia: Southeast, Korea and Japan	82	South Korea
8	Asia: Southeast, Korea and Japan	66	Thailand
8	Asia: Southeast, Korea and Japan	84	Vietnam
8	Asia: Southeast, Korea and Japan	670	East Timor
105	Asia-Pacific: Australia and New Zealand	61	Australia
105	Asia-Pacific: Australia and New Zealand	682	Cook Islands
105	Asia-Pacific: Australia and New Zealand	64	New Zealand
9	Asia-Pacific: Islands	679	Fiji
9	Asia-Pacific: Islands	689	French Polynesia
9	Asia-Pacific: Islands	686	Kiribati
9	Asia-Pacific: Islands	691	Micronesia
9	Asia-Pacific: Islands	674	Nauru
9	Asia-Pacific: Islands	687	New Caledonia
9	Asia-Pacific: Islands	680	Palau
9	Asia-Pacific: Islands	675	Papua New Guinea
9	Asia-Pacific: Islands	685	Samoa
9	Asia-Pacific: Islands	677	Solomon Islands

Region Code	Region Name	Country Code	Country Name
9	Asia-Pacific: Islands	676	Tonga
9	Asia-Pacific: Islands	688	Tuvalu
9	Asia-Pacific: Islands	678	Vanuatu
15	Europe: Central	420	Czech Republic
15	Europe: Central	372	Estonia
15	Europe: Central	36	Hungary
15	Europe: Central	371	Latvia
15	Europe: Central	370	Lithuania
15	Europe: Central	48	Poland
15	Europe: Central	421	Slovak Republic
16	Europe: Eastern	355	Albania
16	Europe: Eastern	387	Bosnia and Herzegovina
16	Europe: Eastern	359	Bulgaria
16	Europe: Eastern	385	Croatia
16	Europe: Eastern	383	Kosovo
16	Europe: Eastern	389	Macedonia
16	Europe: Eastern	382	Montenegro
16	Europe: Eastern	40	Romania
16	Europe. Eastern	381	Serbia
16	Europe: Eastern	90	Turkey
14	Europe: Russia & CIS	374	Armenia
14	Europe: Russia & CIS	994	Azerbaijan
14	Europe: Russia & CIS	375	Belarus
14	Europe: Russia & CIS	995	Georgia
14	Europe: Russia & CIS	8	Kazakhstan
14	Europe: Russia & CIS	996	Kyrgyzstan
14	Europe: Russia & CIS	373	Moldova
14	Europe: Russia & CIS	976	Mongolia
14	Europe: Russia & CIS	7	Russia
14	Europe: Russia & CIS	992	Tajikistan
14	Europe: Russia & CIS	993	Turkmenistan
14	Europe: Russia & CIS	380	Ukraine
14	Europe: Russia & CIS	998	Uzbekistan
102	Europe: Western	376	Andorra
102	Europe: Western	43	Austria
102	Europe: Western	32	Belgium
102	Europe: Western	357	Cyprus
102	Europe: Western	45	Denmark
102	Europe: Western	358	Finland
102	Europe: Western	33	France
102	Europe: Western	49	Germany
102	Europe: Western	30	Greece
102	Europe: Western	354	Iceland
102	Europe: Western	353	Ireland
102	Europe: Western	101	Isle of Man
102	Europe: Western	39	Italy

Region Code	Region Name	Country Code	Country Name
102	Europe: Western	102	Liechtenstein
102	Europe: Western	352	Luxembourg
102	Europe: Western	356	Malta
102	Europe: Western	377	Monaco
102	Europe: Western	31	Netherlands
102	Europe: Western	47	Norway
102	Europe: Western	351	Portugal
102	Europe: Western	386	Slovenia
102	Europe: Western	34	Spain
102	Europe: Western	46	Sweden
102	Europe: Western	41	Switzerland
102	Europe: Western	44	United Kingdom
10	Middle East: Gulf States	973	Bahrain
10	Middle East: Gulf States	98	Iran
10	Middle East: Gulf States	964	Iraq
10	Middle East: Gulf States	965	Kuwait
10	Middle East: Gulf States	968	Oman
10	Middle East: Gulf States	974	Qatar
10	Middle East: Gulf States	966	Saudi Arabia
10	Middle East: Gulf States	971	United Arab Emirates
10	Middle East: Gulf States	967	Yemen
11	Middle East: MENA	213	Algeria
11	Middle East: MENA	20	Egypt
11	Middle East: MENA	972	Israel
11	Middle East MENA	962	Jordan
11	Middle East: MENA	961	Lebanon
11	Middle East: MENA	212	Morocco
11	Middle East: MENA	970	Palestinian Settlements
11	Middle East: MENA	963	Syrian Arab Republic
11	Middle East: MENA	216	Tunisia
11	Middle East: MENA	1212	Western Sahara
11	Middle East: MENA	218	Libya

ANNEX E

Form of ERISA Certificate

The purpose of this ERISA Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the [Class E Notes] [Class F Notes] [Subordinated Notes] issued by Bosphorus CLO II Designated Activity Company (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**") as determined in accordance with 29 C.F.R. 2510-3.101, as modified by Section 3(42) of ERISA (the "**Plan Assets Regulation**"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding or disposition of the [Class E Notes] [Class F Notes] [Subordinated Notes]. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms used but not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

By checking a box, you are representing and warranting as to your status for so long as you hold a Note or interest therein. If a box is not checked, you are representing and agreeing that the applicable Section does not, and will not, apply to you.

(1) ☐ Employee Benefit Plans Subject to ERISA or the Code. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

(2) ☐ Entity Holding Plan Assets. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the total value of any class of its equity is held by Benefit Plan Investors.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code: _____ per cent.

AN ENTITY OR FUND THAT CANNOT OR DOES NOT PROVIDE THE FOREGOING PERCENTAGE HEREBY ACKNOWLEDGES THAT FOR PURPOSES OF DETERMINING WHETHER BENEFIT PLAN INVESTORS OWN LESS THAN 25 PER CENT. OF THE TOTAL VALUE OF THE [CLASS E NOTES] [CLASS F NOTES] [SUBORDINATED NOTES], 100 PER CENT. OF THE ASSETS OF THE ENTITY OR FUND WILL BE TREATED AS "PLAN ASSETS".

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

(3) ☐ Insurance Company General Account. We, or the entity on whose behalf we are acting, are an insurance company purchasing the [Class E Notes] [Class F Notes] [Subordinated Notes] with funds from our or their general account (i.e., the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" under ERISA.

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" under Section 401(a) of ERISA for purposes of conducting the 25 per cent. test under the Plan Assets Regulation: _____ per cent. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100 PER CENT. IN THE BLANK SPACE.

(4) ☐ None of Sections (1) through (3) above apply. We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) through (3) above. If, after the date hereof, any of the categories described in Sections (1) through (3) above would apply, we will promptly notify the Issuer of such change.

(5) No Prohibited Transaction. If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the [Class E Notes] [Class F Notes] [Subordinated Notes] or interest therein do not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

(6) Not Subject to Similar Law and No Violation of Other Plan Law. If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not subject to any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer or the Investment Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the [Class E Notes] [Class F Notes] [Subordinated Notes] (or interest therein) do not and will not constitute or result in a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

(7) ☐ Controlling Person. We are, or we are acting on behalf of any of: (i) the Trustee, (ii) the Investment Manager, (iii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iv) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (v) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set out in the Plan Assets Regulation. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "Controlling Person".

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25 per cent. of the total value of the [Class E Notes] [Class F Notes] [Subordinated Notes], any [Class E Notes] [Class F Notes] [Subordinated Notes] held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

(8) Compelled Disposition. We acknowledge and agree that:

First, if any representation and warranty that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25 per cent. Limitation, the Issuer shall, promptly after such discovery, send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Holder immediately after the date of such notice;

Second, if we fail to transfer our [Class E Notes] [Class F Notes] [Subordinated Notes] within 10 days of the notice from the Issuer, the Issuer shall have the right, without further notice to us, to sell or transfer our [Class E Notes] [Class F Notes] [Subordinated Notes] or our interest in such Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose;

Third, we will have an opportunity to propose a prospective purchaser who may acquire the [Class E Notes] [Class F Notes] [Subordinated Notes] at the highest bid received by the Issuer, and no later than the time the other bidder would have made its acquisition, and the Issuer will sell such [Class E Notes] [Class F Notes] [Subordinated Notes] to such purchaser so long as it meets all applicable transfer restrictions;

Fourth, by our acceptance of an interest in the [Class E Notes] [Class F Notes] [Subordinated Notes], we agree to cooperate with the Issuer to effect such transfers;

Fifth, the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

Sixth, the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

(9) Required Notification and Agreement. We hereby agree that we (a) will inform the Issuer of any proposed transfer by us of all or a specified portion of the [Class E Notes] [Class F Notes] [Subordinated Notes] and (b) will not initiate any such transfer after we have been informed by the Issuer in writing that such transfer would cause the 25 per cent. limitation to be exceeded. We hereby agree and acknowledge that after the Issuer effects any permitted transfer of [Class E Notes] [Class F Notes] [Subordinated Notes] owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Issuer shall include such Notes in future calculations of the 25 per cent. limitation made pursuant hereto unless subsequently notified that such Notes (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

(10) Continuing Representation; Reliance. We acknowledge and agree that the representations and warranties contained in this Certificate shall be deemed made on each day from the date we make such representations and warranties through and including the date on which we dispose of our interests in the [Class E Notes] [Class F Notes] [Subordinated Notes]. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer to determine that Benefit Plan Investors own or hold less than 25 per cent. of the total value of such Notes upon any subsequent transfer of Notes in accordance with the Trust Deed.

(11) Further Acknowledgement and Agreement. We acknowledge and agree that (i) all of the assurances, representations and warranties contained in this Certificate are for the benefit of the Issuer, the Trustee, the Collateral Administrator, the Agents and the Investment Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, the Collateral Administrator, the Agents, the Investment Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes, inter alia, and where relevant of making the determinations described above and (iii) any acquisition or transfer of the [Class E Notes] [Class F Notes] [Subordinated Notes] by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

(12) Future Transfer Requirements.

Transferee Letter and its Delivery. We acknowledge and agree that we may not transfer any [Class E Notes] [Class F Notes] [Subordinated Notes] to any person unless the Issuer has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____ [Insert Purchaser's Name]

By:

Name:

Title:

Dated:

This Certificate relates to € _____ of [Class E Notes] [Class F Notes] [Subordinated Notes]

REGISTERED OFFICE OF THE ISSUER
Bosphorus CLO II Designated Activity Company
4th Floor
3 George's Dock
IFSC, Dublin 1, D01 X5X0
Ireland

INVESTMENT MANAGER
Commerzbank AG, London Branch
30 Gresham Street
London EC2V 7PG
United Kingdom

TRUSTEE,
ACCOUNT BANK, PRINCIPAL PAYING AGENT,
CALCULATION AGENT, CUSTODIAN AND EXCHANGE AGENT
The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL

COLLATERAL ADMINISTRATOR AND INFORMATION AGENT
The Bank of New York Mellon SA/NV, Dublin Branch
Hanover Building
Windmill Lane
Dublin 2
Ireland

REGISTRAR AND TRANSFER AGENT
The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
2453 Luxembourg

LEGAL ADVISERS

To the Arranger. the Co-Arranger and the Initial Purchaser
as to English Law and U.S. Law
Cadwalader, Wickersham & Taft LLP
Dashwood House
69 Old Broad Street
London EC2M 1QS
United Kingdom

To the Investment Manager
as to English Law and U.S. Law
Milbank, Tweed, Hadley & McCloy LLP
10 Gresham Street
London EC2V 7JD
United Kingdom

To the Trustee as to English Law
Allen & Overy LLP
One Bishops Square
London E1 6AD

To the Issuer as to Irish Law
A&L Goodbody
IFSC
North Wall Quay
Dublin 1
Ireland

IRISH LISTING AGENT
A&L Listing Limited
IFSC
North Wall Quay
Dublin 1
Ireland