Aurium CLO I Limited

(*a private limited liability company incorporated under the laws of Ireland with a registered number of 547501 and having its registered office at 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland*)

€179,500,000 Class A Senior Secured Floating Rate Notes due 2029
€33,500,000 Class B Senior Secured Floating Rate Notes due 2029
€18,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2029
€15,500,000 Class D Senior Secured Deferrable Floating Rate Notes due 2029
€21,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2029
€10,750,000 Class F Senior Secured Deferrable Floating Rate Notes due 2029
€30,520,000 Subordinated Notes due 2029

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

Aurium CLO I Limited (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, the "**Rated Notes**") together with the Subordinated Notes are collectively referred to herein as the "**Notes**". The Notes will be issued and secured pursuant to a trust deed (the "**Trust Deed**") dated on or about 26 March 2015 (the "**Issue Date**"), made between (amongst others) the Issuer and Deutsche Trustee Company Limited, in its capacity as trustee (the "**Trustee**").

Interest on the Notes will be payable (i) quarterly in arrear on 26 October, 26 January, 26 April and 26 July at any time other than following the occurrence of a Frequency Switch Event (as defined herein); and (ii) semi-annually in arrear following the occurrence of a Frequency Switch Event on (A) 26 October and 26 April (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is 26 January or 26 July), or (B) 26 January and 26 July (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is 26 October or 26 April) (or, if such day is not a Business Day (as defined herein), then on the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)) in each year, commencing in October 2015 and ending on the Maturity Date (as defined below) in accordance with the Priorities of Payments described herein.

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

SEE THE SECTION ENTITLED "*RISK FACTORS*" HEREIN FOR A DISCUSSION OF CERTAIN FACTORS TO BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE NOTES.

Application has been made to the Irish Stock Exchange p.l.c. (the "**Irish Stock Exchange**") for the approval of this Offering Circular as listing particulars (the "**Listing Particulars**"). 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 (the "**Global Exchange Market**") which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC.

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

The Notes have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered only: (a) outside the United States to non-U.S. Persons (where "**U.S. Persons**" shall have the meaning given to it 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, in each case, who are both qualified institutional buyers (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on Rule 144A and qualified purchasers for the purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Issuer will not be registered under the Investment Company Act. Interests in the 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 Deutsche Bank AG, London Branch in its capacity as Initial Purchaser (the "**Initial Purchaser**") subject to prior sale, when, as and if delivered to and accepted by the Initial Purchaser, and to certain conditions. It is expected that delivery of the Notes will be made on or about the Issue Date. The Initial Purchaser may offer the Notes at prices as may be negotiated at the time of sale which may vary among different purchasers.

Deutsche Bank AG, London Branch

Sole Arranger and Initial Purchaser

The date of this Offering Circular is 26 March 2015

The Issuer accepts responsibility for the information contained in this document (save for the information contained in the sections of this document headed "Risk Factors—4. Certain Conflicts of Interest—Collateral Manager", "The Collateral Manager", "Description of the Collateral Administrator" and "The Retention Holder and Retention Requirements—Description of the Retention Holder") and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information included in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Manager accepts responsibility for the information contained in the sections of this document headed "Risk Factors—4. Certain Conflicts of Interest—Collateral Manager" and "The Collateral Manager". To the best of the knowledge and belief of the Collateral Manager (which has taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Retention Holder accepts responsibility for the information contained in the section of this document headed "The Retention Holder and Retention Requirements—Description of the Retention Holder". To the best of the knowledge and belief of the Retention Holder (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Administrator accepts responsibility for the information contained in the section of this document headed "Description of the Collateral Administrator". To the best of the knowledge and belief of the Collateral Administrator (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Except for the sections of this document headed "Risk Factors—4. Certain Conflicts of Interest—Collateral Manager" and "The Collateral Manager" in the case of the Collateral Manager, "The Retention Holder and Retention Requirements—Description of the Retention Holder" in the case of the Retention Holder and "Description of the Collateral Administrator" in the case of the Collateral Administrator, none of the Collateral Manager, the Retention Holder or the Collateral Administrator accepts any responsibility for the accuracy and completeness of any information contained in this Offering Circular. The delivery of this Offering Circular at any time does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.

None of the Initial Purchaser, the Trustee, the Collateral Manager (save in respect of the sections headed "Risk Factors—4. Certain Conflicts of Interest—Collateral Manager" and "The Collateral Manager"), the Retention Holder (save in respect of the section headed "The Retention Holder and Retention Requirements—Description of the Retention Holder"), the Collateral Administrator (save in respect of the section headed "Description of the Collateral Administrator"), any Agent, any Hedge Counterparty, or any other party has separately verified the information contained in this Offering Circular and, accordingly, none of the Initial Purchaser, the Trustee, the Collateral Manager (save as specified above), the Retention Holder (save as specified above), the Collateral Administrator (save as specified above), any Agent, any Hedge Counterparty, or any other party (save for the Issuer as specified above) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Offering Circular or in any further notice or other document which may at any time be supplied in connection with the Notes or their distribution or accepts any responsibility or liability therefor. None of the Initial Purchaser, the Trustee, the Collateral Manager, the Retention Holder, the Collateral Administrator, any Agent, any Hedge Counterparty, or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular. None of the Initial Purchaser, the Trustee, the Collateral Manager (save as specified above), the Retention Holder (save as specified above), the Collateral Administrator (save as specified above), any Agent, any Hedge Counterparty, or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Offering Circular.

*This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Initial Purchaser, or any of their Affiliates, the Collateral Manager, the Collateral Administrator or any other person to subscribe for or purchase any of the Notes. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Initial Purchaser to inform themselves about and to observe any such restrictions. In particular, the communication constituted by this Offering Circular is directed only at persons who (i) are persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of Directive 2003/71/EC ("**Qualified Investors**"), (ii) are persons in the United Kingdom who are Qualified Investors of the kind described in Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth in such Order so that Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer; or (iii) are persons to whom this document can be*

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

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

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "Euro", "euro", "€" and "EUR" are to the lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; provided that if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the "Exiting State(s)"), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining member states and shall not include any successor currency introduced by the Exiting State(s) and references to "Sterling" and "£" shall mean the lawful currency of the United Kingdom and any references to "U.S. Dollar", "U.S. dollar", "U.S.D.", "U.S. Dollar" or "$" shall mean the lawful currency of the United States of America.

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

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

NOTICE TO NEW HAMPSHIRE RESIDENTS

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

RETENTION REQUIREMENTS

Each prospective investor in the Notes is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with the Retention Requirements or any other regulatory requirement. None of the Issuer, the Collateral Manager, the Initial Purchaser, the Collateral Administrator, the Trustee, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such Person shall have any liability to any prospective investor or any other Person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the Retention Requirements or any other applicable legal, regulatory or other requirements. Each prospective investor in the Notes which is subject to the Retention Requirements or any other regulatory requirement should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and any other requirements of which it is uncertain. See "*Risk Factors—General—Risk Retention and Due Diligence Requirements in Europe*", and "*The Retention Holder and Retention Requirements*" below.

VOLCKER RULE

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**") relevant banking entities (as defined under the Volcker Rule) are generally prohibited from, among other things, acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to as covered funds. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds.

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

Since the Issuer has not structured its operations with the intention of being excluded from being a "covered fund" within the meaning of the Volcker Rule in reliance on the "loan securitisation" exemption thereunder, the Issuer may be deemed to be a "covered fund" under the Volcker Rule and, in such circumstances, in the absence of regulatory relief, the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of U.S. "banking entities" and non-U.S. affiliates of U.S. banking institutions to hold an ownership interest in the Issuer or enter into financial transactions with the Issuer. If the Issuer is deemed to be a "covered fund", this could significantly impair the marketability and liquidity of the Notes.

It should be noted that the Subordinated Notes will be characterised as ownership interests in the Issuer for this purpose and it is uncertain whether any of the Rated Notes may be similarly characterised as ownership interests. For instance, there is currently uncertainty as to whether the rights of Noteholders to participate in the removal of, and/or selection of a replacement for, the Collateral Manager in and of itself will be construed as indicative of an ownership interest by the Noteholders of the relevant Class.

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

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each purchaser must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. None of the Issuer, the Collateral Manager, the Initial Purchaser, the Trustee, the Arranger, their Affiliates or any other person makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future. See "*Risk Factors –Volcker Rule*" below for further information.

Information as to placement within the United States

The Notes of each Class offered pursuant to an exemption from registration under Rule 144A under the Securities Act ("**Rule 144A**") (the "**Rule 144A Notes**") will be sold only to "qualified institutional buyers" (as defined in Rule 144A) ("**QIBs**") that are also "qualified purchasers" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). Rule 144A Notes of each Class will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or in some cases definitive certificates (each a "**Rule 144A Definitive Certificate**" and together the "**Rule 144A Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with 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 Notes of each Class sold outside the United States to non-U.S. Persons in "offshore transactions" in reliance on Regulation S ("**Regulation S**") under the Securities Act (the "**Regulation S Notes**") will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**"), or in some cases by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**") in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream, Luxembourg and DTC (as applicable) and their respective participants. Notes in definitive certificated form will be issued only in limited circumstances. In each case, purchasers and transferees of Notes will be deemed and in certain circumstances will be required to have made certain representations and agreements. See "*Form of the Notes*", "*Book Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*" below.

The Issuer has not been registered under the Investment Company Act. Each purchaser of an interest in the Notes (other than a non-U.S. Person outside the U.S.) will be deemed to have represented and agreed that it is a QIB that is also a QP and will also be deemed to have made the representations set out in "*Transfer Restrictions*" herein. The purchaser of any 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 which is also a QP, in a transaction meeting the requirements of Rule 144A, or (3) outside the United States to a non-U.S. Person in an offshore transaction in reliance on Regulation S, in each case, in compliance with the Trust Deed and all applicable securities laws of any state of the United States or any other jurisdiction. See "*Transfer Restrictions*" below.

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

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

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

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH PROSPECTIVE INVESTOR) 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, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. All information made available by the Issuer pursuant to the terms of this paragraph may also be obtained during usual business hours free of charge at the office of the Principal Paying Agent.

General Notice

EACH PURCHASER OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE INITIAL PURCHASER, THE COLLATERAL MANAGER (OR ANY OF THEIR AFFILIATES), THE TRUSTEE (OR ANY OF ITS OR THEIR AFFILIATES), 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 THE SECURITIES ACT 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

Commodity Pool Regulation

IF TRADING OR ENTERING INTO HEDGE AGREEMENTS WOULD RESULT IN THE ISSUER'S ACTIVITIES FALLING WITHIN THE DEFINITION OF A "COMMODITY POOL" UNDER THE COMMODITY EXCHANGE ACT, THE COLLATERAL MANAGER EXPECTS TO BE EXEMPT FROM REGISTRATION WITH THE COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**") AS A COMMODITY POOL OPERATOR (A "**CPO**") PURSUANT TO CFTC RULE 4.13(a)(3). THEREFORE, UNLIKE A REGISTERED CPO, THE COLLATERAL MANAGER WOULD NOT BE REQUIRED TO DELIVER A CFTC DISCLOSURE DOCUMENT TO PROSPECTIVE INVESTORS, NOR WOULD IT BE REQUIRED TO PROVIDE INVESTORS WITH CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF CFTC RULES APPLICABLE TO REGISTERED CPOs.

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OVERVIEW

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

Issuer	Aurium CLO I Limited, a private limited liability company incorporated under the laws of Ireland with a registered number of 547501 and having its registered office at 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3 Ireland.
Collateral Manager	Spire Partners LLP
Trustee	Deutsche Trustee Company Limited
Initial Purchaser	Deutsche Bank AG, London Branch
Collateral Administrator	Deutsche Bank AG, London Branch

Notes

Class of Notes[5]	Principal amount	Initial Stated Interest Rate[1]	Stated Interest Rate[2]	S&P Ratings of at least[3]	Moody's Ratings of at least[3]	Maturity Date[4]
A	€179,500,000	3 month EURIBOR + 1.30 per cent.	6 month EURIBOR + 1.30 per cent.	AAA(sf)	Aaa(sf)	26 April 2029
B	€33,500,000	3 month EURIBOR + 2.15 per cent.	6 month EURIBOR + 2.15 per cent.	AA(sf)	Aa2(sf)	26 April 2029
C	€18,000,000	3 month EURIBOR + 3.00 per cent.	6 month EURIBOR + 3.00 per cent.	A(sf)	A2(sf)	26 April 2029
D	€15,500,000	3 month EURIBOR + 3.65 per cent.	6 month EURIBOR + 3.65 per cent.	BBB(sf)	Baa2(sf)	26 April 2029
E	€21,000,000	3 month EURIBOR + 5.40 per cent.	6 month EURIBOR + 5.40 per cent.	BB(sf)	Ba2(sf)	26 April 2029
F	€10,750,000	3 month EURIBOR + 6.65 per cent.	6 month EURIBOR + 6.65 per cent.	B(sf)	B2(sf)	26 April 2029
Subordinated Notes	€30,520,000	N/A	N/A	N/A	N/A	26 April 2029

1 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 a straight line interpolation of 6 month EURIBOR and 9 month EURIBOR.

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

3 The ratings assigned to the Class A Notes and the Class B Notes by S&P address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class C Notes, Class D Notes, Class E Notes and Class F Notes by S&P address the ultimate payment of principal and interest. The ratings assigned to the Rated Notes by Moody's address the expected loss posed to investors by the legal final maturity on the Maturity Date. A security rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency.

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

5 The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed in connection with any removal or replacement of the Collateral Manager as further described in this Offering Circular.

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

Eligible Purchasers	The Notes of each Class will be offered: (a) outside of the United States to non-U.S. Persons in "offshore transactions" in reliance on Regulation S; and (b) within the United States to persons and outside the United States to U.S. Persons, in each case, who are QIB/QPs.
Distributions on the Notes	
Payment Dates	(a) following the occurrence of a Frequency Switch Event on (A) 26 October and 26 April (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is either 26 January or 26 July), or (B) 26 January and 26 July (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is either 26 October or 26 April); and (b) 26 October, 26 January, 26 April and 26 July of each year at all other times, commencing in October 2015 and ending on the Maturity Date (subject to any earlier redemption of the Notes and in each case to adjustment for non-Business Days in accordance with the Conditions).
Frequency Switch Event	The occurrence on any Frequency Switch Measurement Date of: (a) the Aggregate Principal Balance of all Frequency Switch Obligations (other than Defaulted Obligations) in respect of such Frequency Switch Measurement Date, being greater than or equal to 20 per cent. of the Collateral Principal Amount (the Collateral Principal Amount being determined in accordance with the definition thereof, excluding Defaulted Obligations); (b) for so long as the Class A Notes or the Class B Notes remain outstanding, the Class A/B Interest Coverage Ratio is greater than or equal to 100 per cent.; and (c) for so long as the Class A Notes or the Class B Notes remain outstanding, the Class A/B Interest Coverage Ratio is less than 100 per cent. (and provided that for such purpose, paragraphs (b) and (f) of the definition of Interest Coverage Amount shall be deemed to be equal to zero).
Stated Note Interest	Interest in respect of the Notes of each Class will be payable semi-annually in arrear in respect of each six month Accrual Period and quarterly in arrear in respect of each three month Accrual Period on each Payment Date (with the first Payment Date occurring in October 2015) in accordance with the Interest Proceeds Priority of Payments.
Deferral of Interest.....	Failure on the part of the Issuer to pay the Interest Amounts due and payable on any of the Class A Notes or the Class B Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payments shall not be a Note Event of Default unless and until: (a) such failure continues for a period of at least five Business Days save in the case of administrative error or omission only, where such failure continues for a period of at least seven Business Days; and

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

and save in each case as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*). To the extent that interest payments on the Class 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 respective principal amounts of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (as applicable), 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 amounts due and payable on the Subordinated Notes as a result of the insufficiency of available Interest 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;

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

(c) on any Business Day following the occurrence of a Collateral Tax Event in whole (with respect to all Classes of Rated Notes) at the option of the Subordinated Noteholders acting by way of Ordinary Resolution (see Condition 7(b)(i) (*Optional Redemption in Whole—Subordinated Noteholders/Collateral Manager*));

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

(e) in whole (with respect to the Rated Notes) on any Business Day falling on or after expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Principal Balance is less than 20 per cent. of the Target Par Amount at the written direction of the Collateral Manager provided that the Subordinated Noteholders shall not have objected to such redemption by way of Ordinary Resolution within 30 days of the Issuer giving notice thereof to the Noteholders in accordance with Condition 16 (Notices) (see Condition 7(b)(iii) (*Optional Redemption in Whole—Clean-up Call*));

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

(g) on any Payment Date following a Determination Date on which a Coverage Test is not satisfied (to the extent such test is required to be satisfied on such Determination Date) (see Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*));

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

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

(j) after the Reinvestment Period, on each Payment Date out of Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date in redemption of the Notes at their applicable Redemption Prices in accordance with the Priorities of Payment (see Condition 7(f) (*Redemption following Expiry of the Reinvestment Period*));

(k) in whole (with respect to all Classes of Notes) on any Business Day at the option of the Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary

	Resolution, following the occurrence of a Note Tax Event, subject to (i) the Issuer having failed to change the territory in which it is resident for tax purposes and (ii) certain minimum time periods (see Condition 7(g) (*Redemption following Note Tax Event*));
	(l) at any time following an acceleration of the Notes following a Note Event of Default which occurs and is continuing and has not been cured or waived (see Condition 10 (*Events of Default*)); and
	(m) on any Payment Date during the Reinvestment Period to cure a failure of the Reinvestment Overcollateralisation Test at the option of the Collateral Manager (see Condition 7(k) (*Reinvestment Overcollateralisation Test*)).
Non-Call Period.....	During the period from the Issue Date up to, but excluding, the Payment Date falling in April 2017 (the "**Non-Call Period**"), the Notes are not subject to Optional Redemption (save for upon a Collateral Tax Event, a Note Tax Event or a Special Redemption). See Condition 7(b) (*Optional Redemption*), Condition 7(d) (*Special Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*).
Redemption Prices.....	The Redemption Price of each Class of Rated Notes will be (a) 100 per cent. of the Principal Amount Outstanding of the Notes to be redeemed (including, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any accrued and unpaid Deferred Interest on such Notes) (subject, in the case of an Optional Redemption of the Rated Notes in whole, to the right of Noteholders 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 Noteholders of such Class of Rated Notes exercisable in accordance with Condition 7(b)(iv)(B) (*Terms and Conditions of an Optional Redemption*)) plus (b) accrued and unpaid interest thereon to the day of redemption. The Redemption Price for each Subordinated Note will be its *pro rata* share (calculated in accordance with paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments or paragraph (AA) of the Post-Acceleration Priority of Payments (as applicable)) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payments.
Priorities of Payments.....	Prior to the delivery of an Acceleration Notice in accordance with Condition 10(b) (*Acceleration*) or the automatic acceleration of the Notes or following the delivery of an Acceleration Notice which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), and other than in connection with an Optional Redemption in whole pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*), Interest Proceeds will be applied in accordance with the Interest Proceeds Priority of Payments and Principal Proceeds will be applied in accordance with the Principal Proceeds Priority of Payments. Upon any redemption in whole of the Notes in accordance with Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption following Note Tax Event*) or following the effectiveness of an Acceleration Notice in

	accordance with Condition 10(b) (*Acceleration*) which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or following the automatic acceleration of the Notes, Interest Proceeds and Principal Proceeds will be applied in accordance with the Post-Acceleration Priority of Payments, in each case as described in the Conditions.
Collateral Management Fees	
Senior Management Fee	0.15 per cent. per annum of the Average Collateral Principal Amount. See "*Description of the Collateral Management and Administration Agreement—Compensation of the Collateral Manager*".
Subordinated Management Fee	0.35 per cent. per annum of the Average Collateral Principal Amount. See "*Description of the Collateral Management and Administration Agreement—Compensation of the Collateral Manager*".
Incentive Fee	After having met or surpassed the Incentive Management Fee IRR Threshold of 12 per cent., 20 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Subordinated Noteholders, in accordance with the Priorities of Payments. See "*Description of the Collateral Management and Administration Agreement—Compensation of the Collateral Manager*".
Security for the Rated Notes	
General	The Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over a portfolio of Collateral Obligations. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of the Issuer Irish Account and the Issuer Administration Agreement.
Hedge Arrangements	The Issuer will not be permitted to enter into a Hedge Agreement to hedge interest rate risk and/or currency risk around or after the Issue Date unless the Issuer (or the Collateral Manager on behalf of the Issuer) obtains legal advice from reputable legal counsel to the effect that the entry into such arrangements should not require any of the Issuer, its directors or officers or the Collateral Manager to register with the United States Commodity Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended (the "**Hedging Condition**"). The ability of the Issuer or the Collateral Manager on its behalf to enter into Currency Hedge Transactions and therefore the ability of the Issuer or the Collateral Manager on its behalf to acquire Non-Euro Obligations, is subject to satisfaction of the Hedging Condition. The Issuer will obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless it is in a form previously approved by the Rating Agencies (a "**Form Approved Hedge**").
Collateral Manager	Pursuant to the collateral management and administration agreement entered into between, among others, the Issuer, the

	Collateral Manager and the Collateral Administrator on or prior to the Issue Date (the "**Collateral Management and Administration Agreement**"), the Collateral Manager is required to act as the Issuer's collateral manager with respect to the Portfolio and any Hedge Agreements, to act in specific circumstances in relation to the Portfolio and any Hedge Agreements on behalf of the Issuer and to carry out the duties and functions described therein. Pursuant to the Collateral Management and Administration Agreement, the Issuer delegates authority to the Collateral Manager to carry out certain functions in relation to the Portfolio and any Hedge Agreements without the requirement for specific approval by the Issuer, the Collateral Administrator or the Trustee. See "*Description of the Collateral Management and Administration Agreement*" and "*The Portfolio*".
Key Person.....	Under the terms of the Collateral Management and Administration Agreement, while Spire Partners LLP is the Collateral Manager, in the event that any two of Jonathan Russell, Oliver Drummond Smith or Philip Bennett-Britton (including for the avoidance of doubt, any replacement for such Key Persons replaced pursuant to paragraph (b) below, each a "**Key Person**" and together the "**Key Persons**") cease to spend substantial time involved in the managerial activities of the Collateral Manager relevant to the Issuer under the Collateral Management and Administration Agreement (including being a member of the investment committee of the Collateral Manager) (the "**Key Person Trigger**"): (a) the holders of the Subordinated Notes may by Ordinary Resolution instruct the Issuer in writing to suspend the ability of the Collateral Manager under the Collateral Management and Administration Agreement to (i) dispose of Collateral Obligations (other than Credit Improved Obligations, Credit Risk Obligations, Defaulted Obligations, Equity Securities or Exchanged Equity Securities, each of which may continue to be disposed of by the Collateral Manager (acting on behalf of the Issuer) in accordance with the terms of the Collateral Management and Administration Agreement) and (ii) acquire Substitute Collateral Obligations, in each case, until a replacement Key Person is appointed in accordance with paragraph (b) below; and (b) the Collateral Manager may replace such Key Person(s) by either (i) an existing professional staff member or officer of the Collateral Manager or any of its Affiliates as a replacement for such Key Person or (ii) a suitably qualified professional who has been hired with broadly comparable experience of the Key Person so ceasing to spend substantial time involved in the managerial activities of the Collateral Manager, in each case, provided such replacement has been approved by the holders of the Subordinated Notes acting by Ordinary Resolution within 30 Business Days (or such longer period as may be agreed to by the Subordinated Noteholders acting by Ordinary Resolution) of the occurrence of the Key Person Trigger. The failure of the Collateral Manager to so replace a Key Person in accordance with paragraph (b) above, on and following the occurrence of the Key Person Trigger, will constitute a "**Key Person Event**". See "*Description of the Collateral Management and Administration Agreement*".

Purchase of Collateral Obligations	
As of the Issue Date.....	The Issuer has committed to purchase Collateral Obligations the Aggregate Principal Balance of which equals approximately €240,000,000 (representing approximately 80 per cent. of the Target Par Amount).
Initial Investment Period	During the period from and including the Issue Date to but excluding the earlier of: (a) the date designated for such purpose by the Collateral Manager, subject to the Effective Date Determination Requirements having been satisfied; and (b) the date that is 7 months from the Issue Date, (such earlier date, the "**Effective Date**" and, such period, the "**Initial Investment Period**"), the Collateral Manager on behalf of the Issuer intends to purchase additional Collateral Obligations, subject to the Eligibility Criteria and certain other restrictions in order that the Aggregate Principal Balance thereof is at least equal to the Target Par Amount (provided that for the purposes of determining such Aggregate Principal Balance, any repayments or prepayments of Collateral Obligations subsequent to the Issue Date may be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value).
Reinvestment in Collateral Obligations	Subject to the limits described in the Priorities of Payments and Principal Proceeds available from time to time, the Collateral Manager may at its discretion purchase Substitute Collateral Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the Reinvestment Period. Following expiry of the Reinvestment Period, only Sale Proceeds from the sale of Credit Risk Obligations, Credit Improved Obligations and Unscheduled Principal Proceeds received after the Reinvestment Period may be reinvested by the Issuer or the Collateral Manager, on behalf of the Issuer, in Substitute Collateral Obligations meeting the Eligibility Criteria and Reinvestment Criteria. See "*The Portfolio—Management of the Portfolio—Sale of Issue Date Collateral Obligations*" and "*The Portfolio—Management of the Portfolio—Reinvestment of Collateral Obligations*".
Eligibility Criteria.....	In order to qualify as a Collateral Obligation, an obligation must satisfy certain specified Eligibility Criteria. Each obligation shall only be required to satisfy the Eligibility Criteria at the time the Issuer (or the Collateral Manager, acting on behalf of the Issuer) enters into a binding commitment to purchase such obligation save for an Issue Date Collateral Obligation which must also satisfy the Eligibility Criteria on the Issue Date. See "*The Portfolio—Eligibility Criteria*".
Restructured Obligations	In order for a Collateral Obligation which is the subject of a restructuring to qualify as a Restructured Obligation, such Collateral Obligation must satisfy the Restructured Obligation

Criteria as at the applicable Restructuring Date. See "*The Portfolio—Restructured Obligations*".

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

For so long as any of the Rated Notes are rated by S&P and are Outstanding:

(a) (as of the Effective Date and until the expiry of the Reinvestment Period only) the S&P CDO Monitor Test; and

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

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

(a) the Moody's Minimum Diversity Test;

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

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

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

(a) the Minimum Weighted Average Floating Spread Test;

(b) the Minimum Weighted Average Coupon Test; and

(c) the Weighted Average Life Test.

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

	Minimum	**Maximum**
(a) Secured Senior Loans or Secured Senior Bonds in aggregate	90 per cent.	N/A
(b) Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and/or High Yield Bonds in aggregate	N/A	10 per cent.
(c) Senior Secured Floating Rate Notes	N/A	40 per cent.

	Minimum	Maximum
(d) Collateral Obligations of a single Obligor	N/A	2.5 per cent. provided that up to 5 Obligors may represent up to 3 per cent. each and provided further that with respect to Collateral Obligations which are not Secured Senior Loans or Secured Senior Bonds not more than 2 per cent. of the Collateral Principal Amount shall be the obligation of any single Obligor
(e) Non-Euro Obligations (provided a corresponding Currency Hedge Transaction is entered into)	N/A	30 per cent.
(f) Participations	N/A	10 per cent.
(g) Current Pay Obligations	N/A	5 per cent.
(h) Unfunded Amounts/Funded Amounts under Revolving Obligations/Delayed Drawdown Collateral Obligations	N/A	5 per cent.
(i) Interest paid less frequently than semi-annually (other than PIK Securities)	N/A	5 per cent.
(j) Caa Obligations	N/A	7.5 per cent.
(k) CCC Obligations	N/A	7.5 per cent.
(l) Bridge Loans	N/A	3 per cent.
(m) Corporate Rescue Loans	N/A	5 per cent. provided that not more than 1.5 per cent. shall consist of Corporate Rescue Loans from a single Obligor
(n) PIK Securities	N/A	5 per cent.

	Minimum	Maximum
(o) Cov-Lite Loans	N/A	25 per cent.
(p) Fixed Rate Collateral Obligations	N/A	10 per cent.
(q) Industry Classification	N/A	17.5 per cent. of the Collateral Principal Amount may consist of Collateral Obligations that are issued by obligors that belong to any single S&P industry classification, except that two S&P industry classifications may represent up to 30 per cent. in aggregate of the Collateral Principal Amount
(r) Moody's Rating derived from an S&P rating	N/A	10 per cent.
(s) S&P Rating derived from a Moody's Rating	N/A	10 per cent.
(t) Domicile of Obligors 1	N/A	10 per cent. Domiciled in Non-Emerging Market Countries the local currency country bond ceiling rating by Moody's of which is below "Aa3" and no lower than "Baa3" unless Rating Agency Confirmation from Moody's is obtained
(u) Domicile of Obligors 2	N/A	10 per cent. Domiciled in Non-Emerging Market Countries rated below "A-" by S&P
(v) Total Indebtedness of Obligor – between EUR 50,000,000 and EUR 100,000,000	N/A	5 per cent.

For the purposes of the Portfolio Profile Tests and the Collateral Quality Tests: (a) Collateral Obligations in respect of which a binding commitment has been made by the Issuer (or the Collateral Manager acting on behalf of the Issuer) to purchase such Collateral

	Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased; and (b) Collateral Obligations in respect of which a binding commitment has been made by the Issuer (or the Collateral Manager acting on behalf of the Issuer) to sell such Collateral Obligations but such sale has not yet been settled shall nonetheless be deemed to have been sold, provided however, that there shall also be deemed to have been made such debits and/or credits to the Accounts representing the purchase price to be paid and/or the Sale Proceeds to be received in respect of such deemed purchase and/or sale.
Coverage Tests	Each of the Par Value Tests and Interest Coverage Tests shall be satisfied on a Measurement Date in the case of (i) the Par Value Tests, on and after the Effective Date; and (ii) the Interest Coverage Tests on and after the Determination Date immediately preceding the third Payment Date, if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Class	Required Par Value
A/B	133.3
C	123.9
D	116.7
E	108.1
F	104.8

Class	Required Interest Coverage Ratio
A/B	125
C	112
D	105
E	102

Reinvestment Overcollateralisation Test	If, during the Reinvestment Period, the Class F Par Value Ratio is less than 105.3 per cent. on the relevant Measurement Date, Interest Proceeds shall be applied to the payment to the Principal Account as Principal Proceeds for the acquisition of additional Collateral Obligations, in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (x) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) of the Interest Proceeds Priority of Payments and (y) the amount which, after giving effect to such payment, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied if recalculated immediately following such payment.
Authorised Denominations	The Rule 144A Notes of each Class will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof. 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.
Form, Registration and Transfer of the Notes.....	The Regulation S Notes of each Class will be represented on issue by beneficial interests in one or more Regulation S Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial

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

The Rule 144A Notes of each Class 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 QIB/QPs may be represented on issue by beneficial interests in one or more Rule 144A Global Certificates or may in some cases be represented by Rule 144A Definitive Certificates, in each case, in fully registered form, without interest coupons or principal receipts, which Rule 144A Global Certificates will be deposited on or about the Issue Date with a custodian for, and registered in the name of, a nominee of DTC and which Rule 144A Definitive Certificates 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 and Regulation S Global Certificates will bear a legend and such Rule 144A Global Certificates and Regulation S Global Certificates, or any interest therein, may not be transferred except in compliance with the transfer restrictions set out in such legend. See "*Transfer Restrictions*".

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

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

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

	provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*).
CM Voting Notes, CM Non-Voting Exchangeable Notes and CM Non-Voting Notes	The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes may be in the form of CM Voting Notes, CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of voting on, any CM Replacement Resolution and any CM Removal Resolution. CM Non-Voting Exchangeable Notes and CM Non-Voting Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on, any CM Removal Resolution or any CM Replacement Resolution but shall carry a right to vote on and be counted in respect of all other matters in respect of which the CM Voting Notes have a right to vote and be counted. CM Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Non-Voting Exchangeable Notes shall be exchangeable (a) upon request by the relevant Noteholder at any time into CM Non-Voting Notes or (b) into CM Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor and in no other circumstance. CM Non-Voting Notes shall not be exchangeable at any time into CM Voting Notes or CM Non-Voting Exchangeable Notes. The Registrar, in processing such transfers, shall have no liability to any Noteholder as to the compliance by such Noteholder with any legal or regulatory requirements applicable to such Noteholder.
Governing Law	The Notes, the Trust Deed, the Collateral Management and Administration Agreement, the Agency Agreement and all other Transaction Documents (save for the Issuer Administration Agreement (which is governed by the laws of Ireland) and the Euroclear Security Agreement (which is governed by the laws of Belgium)) will be governed by English law.
Listing	Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its Global Exchange Market which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC. There can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained.
Tax Status	See "*Tax Considerations*".
Certain ERISA Considerations	See "*Certain ERISA Considerations*".
Withholding Tax	No gross up of any payments will be payable to the Noteholders. See Condition 9 (*Taxation*).
Additional Issuances	Subject to certain conditions being met (including, without limitation, the prior written approval of the Retention Holder), additional Notes of all existing Classes may be issued and sold. See Condition 17 (*Additional Issuances*).

Retention Holder and Retention Requirements.....	The Retention Notes will be subscribed for by the Collateral Manager in its capacity as Retention Holder on the Issue Date and, pursuant to the Risk Retention Letter, the Collateral Manager will undertake to retain the Retention Notes in its capacity as Retention Holder, with the intention of complying with the Retention Requirements. See "*The Retention Holder and Retention Requirements*" and "*Risk Factors—General—Risk Retention and Due Diligence Requirements in Europe*". The Retention Holder intends to obtain financing for the acquisition of the Retention Notes from the Initial Purchaser, an Affiliate of the Initial Purchaser or from a third party lender. See "*The Retention Holder and Retention Requirements*", "*Risk Factors—4. Certain Conflicts of Interest—Collateral Manager*", and "*Risk Factors—4. Certain Conflicts of Interest—Certain Conflicts of Interest Involving or Relating to the Initial Purchaser and its Affiliates*".

RISK FACTORS

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

1. GENERAL

1.1 General

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

1.2 Suitability

Prospective purchasers of the Notes of any Class should ensure that they understand the nature of such Notes and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, 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 statutes, regulations and margin requirements. Certain regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of transactions of a type similar to this transaction and 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.

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 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 its leaving the Euro is impossible to predict. The exit of one or more countries from the Euro zone could have a destabilising effect on all European economies and possibly the global economy as well.

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

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

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

The result of the above is a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitised instruments. Such additional rules and regulations could, among other things, adversely affect Noteholders as well as the flexibility of the Collateral Manager in managing and administering the Collateral.

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

1.6 Euro and Euro Zone Risk

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

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

Mechanism (the "**ESM**"), to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries from June 2013 onward.

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

Furthermore, concerns that the Euro zone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Euro zone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Euro zone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Issuer, the Collateral and the Notes. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes. It is difficult to predict the final outcome of the Euro zone crisis. Investors should carefully consider how changes to the Euro zone may affect their investment in the Notes.

1.7 Regulatory Initiatives

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

This uncertainty is further compounded by the numerous regulatory efforts underway in Europe, the U.S. and globally. Certain of these efforts overlap. In addition, even where these regulatory efforts overlap, they generally have not been undertaken on a coordinated basis. Areas where divergence between regulation exists or has begun to develop (whether with respect to scope, interpretation, timing, approach or otherwise) includes trading, clearing and reporting requirements for derivatives transactions, high 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.

1.8 Basel III

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

1.9 Risk Retention and Due Diligence Requirements in Europe

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

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

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

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

1.10 European Market Infrastructure Regulation (EMIR)

The European Market Infrastructure Regulation EU 648/2012 ("**EMIR**") and its various technical standards impose a range of obligations on parties to OTC derivative contracts according to whether they are "financial counterparties" such as investment firms, alternative investment funds (see 1.11 (*Alternative Investment Fund Managers Directive*) below), credit institutions and insurance companies, or other entities which are "non-financial counterparties".

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

Non-financial counterparties are also a subject to the reporting obligation and generally, the risk mitigation obligation but they will be exempted from the clearing obligation and certain additional risk mitigation obligations (such as the posting of collateral) provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its "group", excluding eligible hedging transactions, does not exceed certain thresholds (set per asset class of OTC derivatives). If the Issuer is considered to be a member of a "group" (as defined in EMIR) and if the notional value of derivative contracts entered into by the Issuer and the other members of the group exceeds the applicable threshold, the Issuer would be subject to the clearing obligation. Whilst the swaps entered into by the Issuer are expected to be treated as hedging transactions and deducted from the total in assessing whether the notional value of derivative contracts entered by the Issuer or its "group", the regulator may take a different view or the Issuer's status may change. In the event that the Issuer exceeds the applicable clearing thresholds, it would also be subject to the full set of risk mitigation obligations and would be required to post collateral in respect of cleared and non-cleared OTC derivative contracts. In such circumstances, the Issuer would be unable to comply with such requirements. This could result in the termination of relevant Hedge Agreements. Hedge Counterparties may also be unable to enter into hedge transactions with the Issuer. This would limit the Issuer's ability to invest in Non-Euro Obligations and put it in breach of its obligation to enter into Currency Hedge Transactions with respect to any Non-Euro Obligations it has purchased. Any such termination of a Hedge Agreement would expose the Issuer to costs and increased interest rate or currency exchange rate risk until the hedged assets can be sold.

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

Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts. These include the potential for non-financial counterparties such as the Issuer to become subject to marking to market and collateral posting requirements in respect of non-cleared OTC derivatives such as Currency Swap Transactions and Interest Rate Hedge Transactions. The extent to which collateral posting requirements will affect entities such as the Issuer is currently unclear. Regulatory technical standards have been published in draft form only and are yet to be adopted by the European Commission. It is expected that the margining requirements will come into force in December 2015 and will be subject to phase-in, depending on the notional amounts of uncleared derivatives that the relevant "group" transacts. These changes may adversely affect the Issuer's ability to enter the currency swaps and therefore the Issuer's ability to acquire Non-Euro Obligations. As a result of such increased costs and/or additional regulatory requirements, investors may receive significantly less or no interest or return, as the case may be as the Collateral Manager may not be able to execute its investment strategy as anticipated. Investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respect of the Notes.

1.11 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**"). The Collateral Manager is not authorised under AIFMD but is authorised under MiFID. As the Collateral Manager is not permitted to be authorised under AIFMD and also to conduct certain regulated activities under MiFID, it will not be able to apply for an authorisation under AIFMD unless it gives up its authorisation under MiFID (in which case it may not be able to hold the retention required under the Retention Requirements (see 1.9 "*Risk Retention and Due Diligence Requirements in Europe*"). If considered to be an AIF, the Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing obligations with respect to Hedge Transactions including obligations to post margin to any central clearing counterparty or market counterparty. See also 1.10 (*European Market Infrastructure Regulation (EMIR)*) above.

There is an exemption from the definition of AIF in AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"), defined by reference to securitisation within the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank of 19 December 2008. 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 has confirmed that pending such further clarification from ESMA, "registered financial vehicle corporations" with the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank, such as the Issuer, do not need to

seek authorisation as an AIF or appoint an AIFM unless the Central Bank issues further guidance advising them to do so.

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

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

The Conditions of the Notes require the Trustee, without the consent of any of the Noteholders, to concur with the Issuer in the making of modifications to the Transaction Documents and/or the Conditions of the Notes to comply with the requirements of AIFMD or any subsequent legislation or official guidance relating to AIFMs which may become applicable at a future date.

1.12 U.S. Dodd-Frank Act

The Dodd-Frank Act was signed into law on 21 July 2010. The Dodd-Frank Act represents a comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act requires many lengthy rulemaking processes that will ultimately result in the adoption of a multitude of new regulations potentially applicable to entities which transact business in the U.S. or with U.S. persons outside the U.S. Once fully implemented, the Dodd-Frank Act will affect many aspects, in the U.S. and internationally, of the business of the Collateral Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivatives and other activities. While certain regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, many implementing regulations currently exist only in draft form and are subject to comment and revision, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the businesses of the Collateral Manager and its subsidiaries and Affiliates and the Issuer, will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect. In addition, the joint final rule implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act was adopted on October 21 and October 22, 2014. Although such rule will not become effective until 24 December 2016 (the "**U.S. Risk Retention Effective Date**"), it could limit the ability of the Issuer to issue additional Notes or undertake any Refinancing after the effective date.

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

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

1.13 CFTC Regulations

Pursuant to the Dodd-Frank Act, the Commodity Futures Trading Commission ("**CFTC**") has promulgated a range of new regulatory requirements (the "**CFTC Regulations**") that may affect the pricing, terms and compliance costs associated with the entry into of any Hedge Transaction by the Issuer and the availability of such Hedge Transactions. Some or all of the Hedge Transactions that the Issuer may enter into may be affected by (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial and variation margin requirements of any central clearing organisation (with respect to cleared swaps) or initial or variation requirements as may otherwise be required

with respect to uncleared swaps, (iii) swap reporting and recordkeeping obligations, and other matters. These new requirements may significantly increase the cost to the Issuer and/or the Collateral Manager (on the Issuer's behalf) of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Obligations, have unforeseen legal consequences on the Issuer or the Collateral Manager or have other material adverse effects on the Issuer or the Noteholders.

1.14 Commodity Pool Regulation

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

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

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

1.15 Volcker Rule

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**") relevant banking entities are generally prohibited from, among other things, acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to as covered funds. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Full conformance with the Volcker Rule is required by 21 July 2015, and relevant banking entities are required to engage in good faith efforts in this regard during the current conformance period. In general, there is limited interpretive guidance regarding the Volcker Rule.

Key terms are widely defined under the Volcker Rule, including "banking entity", "ownership interest", "sponsor" and "covered fund". In particular, "banking entity" is defined to include certain non-U.S. affiliates of U.S. banking entities, "covered fund" is defined to include an issuer that would be an investment company, as defined in the U.S. Investment Company Act of 1940; but for section 3(c)(1) or 3(c)(7). Although the Issuer will rely on section 3(c)(7) of the Investment Company Act in order to avoid registration as an investment company under the Investment Company Act, the Issuer has not structured its operations with the intention of being excluded from being a "covered fund" within the meaning of the Volcker Rule in reliance on the "loan securitisation" exemption thereunder. If the Issuer is deemed to be a covered fund, then in the absence of regulatory relief, the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of "banking entities" to hold an ownership interest in, or to sponsor, the Issuer or enter into financial transactions with the Issuer. "Ownership interest" is defined to include, among other things, interests arising through a holder's exposure to profits and losses in the covered fund or through any right of the holder to participate in the selection of an investment manager or advisor or the board of directors of such covered fund. The Subordinated Notes will be characterised as ownership interests in the Issuer for this purpose and it is uncertain whether any of the Rated Notes may be similarly characterised as ownership interests. For instance, there is currently uncertainty as to whether the rights of Noteholders to participate in the removal of, and/or selection of a replacement for, the Collateral Manager in and of itself will be construed as indicative of an ownership interest by the Noteholders of the relevant Class.

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

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each purchaser must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. None of the Issuer, the Collateral Manager, the Initial Purchaser, the Trustee or the Arranger makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

1.16 U.S. Legal Investment Considerations and Retention Requirements

On 21 and 22 October 2014, six U.S. federal agencies (including the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Department of Housing and Urban Development, and the Federal Housing Finance Agency) adopted joint final regulations requiring risk retention by securitisers, including with respect to collateralised loan obligations ("**CLOs**") ("**US Risk Retention Regulations**"), which will become effective on the second anniversary of publication of the US Risk Retention Regulations in the U.S. Federal Register. Except with respect to asset-backed securities transactions that satisfy certain exemptions, the US Risk Retention Regulations generally require securitisers of asset-backed securities to retain not less than 5 per cent. of the credit risk of the assets collateralising such asset-backed securities. The US Risk Retention Regulations are currently not applicable to CLOs issued prior to 21 October 2016. The Issuer, however, is unable to predict what impact the US Risk Retention Regulations will have on CLO managers, CLO investors and the CLO market in general. Notwithstanding that the US Risk Retention Regulations are not applicable to the Issuer on the Issue Date, a negative impact on secondary market liquidity for the offered securities may be experienced immediately due to the effect of the US Risk Retention Regulations on market expectations, the relative appeal of alternative investments not subject to the US Risk Retention Regulations or other factors. In addition, it is possible that the US Risk Retention Regulations may reduce the number of collateral managers active in the CLO market, which may result in fewer new issue CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally. A contraction or reduced liquidity in the loan market could reduce opportunities for the Collateral Manager to sell Collateral Obligations or to invest in Collateral Obligations

when it believes it is in the interest of the Issuer to do so, which in turn could negatively impact the return on the Collateral and reduce the market value or liquidity of the offered securities. In addition, it is uncertain whether a refinancing, additional issuance of Notes or re-pricing by the Issuer after the effective date of the US Risk Retention Regulations would be considered a new transaction that would be subject to the US Risk Retention Regulations. As a result the ability of the Issuer to effect any such refinancing, additional issuance of Notes or re-pricing may be impaired or limited. Furthermore, no assurance can be given as to whether the US Risk Retention Regulations will have any material adverse effect on the business, financial condition or prospects of the Collateral Manager.

1.17 **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.

1.18 **Flip Clauses**

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

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

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

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

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

1.19 LIBOR and EURIBOR Reform

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

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

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

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

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

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

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

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

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

Investors should be aware that:

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

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

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

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

Any of the above or any other significant changes to EURIBOR or any other benchmark could have a material adverse effect on the value of, and the amount payable under (i) any Collateral Obligations which pay interest linked to a EURIBOR rate or other benchmark (as applicable), and (ii) the Floating Rate Notes. Furthermore, questions surrounding the integrity in the process for determining EURIBOR may have other unforeseen consequences, including potential litigation against banks and/or obligors on loans, which could result in a material and adverse effect on the Issuer or the holders of the Notes. Investors should consider these recent developments when making their investment decision with respect to the Notes.

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

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

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

If the FTT is adopted based on the Commission's proposal, then it may operate in a manner giving rise to tax liabilities for the Issuer with respect to certain transactions (including concluding swap transactions and/or purchases or sales of securities (such as authorised investments)). Any such liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. To the extent that such liabilities arise at a time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuer (and its general estate) in priority to the claims of Noteholders and other secured creditors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to any 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 the 6 May 2014 identified the revised date of introduction of the FTT as being 1 January 2016 at the latest. The meeting of the European Union Economic and Financial Affairs Council on 7 November 2014 confirmed the aim among the Participating Member States of implementing the first phase of the FTT with effect from 1 January 2016. In a further joint statement by the finance ministers of the Participating Member States (except for Greece) published on 27 January 2015 reiterated that the anticipated implementation date remains 1 January 2016. Additional member states may also decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on their dealings in the Notes before investing.

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

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

Many jurisdictions have adopted wide-ranging anti-money laundering, anti-terrorism, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**AML Requirements**"). Any of the Issuer, the Initial Purchaser, the Collateral Manager or the Trustee could be requested or required to

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

1.22 Third Party Litigation; Limited Funds Available

The Issuer's investment activities may subject it to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. The expense of defending against claims against the Issuer by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Issuer. The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited amounts available in accordance with the Priorities of 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 may not be able to defend or prosecute legal proceedings that may be bought against it or that the Issuer might otherwise bring to protect its interests.

1.23 EU Savings Directive

Under Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income (the "**EU Savings Directive**"), each member state is required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident in that other 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, including Switzerland, ("**Third Countries**") and certain dependent or associated territories of certain member states ("**Dependent and Associated Territories**") have adopted similar measures in relation to payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident in another member state, or certain Third Countries or Dependent and Associated Territories.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member states are required to apply these new requirements from 1 January 2017. The changes, when implemented, will broaden the scope of the requirements described above.

1.24 CRA3

Regulation of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies ("**CRA3**") came into force on 20 June 2013 (the "**CRA3 Effective Date**"). Article 8(b) of CRA3 requires issuers, sponsors and originators of structured finance instruments such as the Notes to make detailed disclosures of information relating to those structured finance instruments. Such disclosures will need to be made via a website to be set up by the European Securities and Markets Authority ("**ESMA**"). As yet, this website has not been set up so issuers, originators and sponsors cannot currently comply with Article 8(b). The European Commission has adopted three regulatory technical standards (relating to disclosure requirements, reporting requirements for CRAs on fees charged to clients and reporting requirements to CRAs), which became effective on 26 January 2015 following their publication in the Official Journal of the European Union on 6 January 2015. However, the disclosure obligations in the delegated regulations will only begin to apply from 1 January 2017, and will only affect structured finance instruments issued after its entry into force. In addition, the delegated regulations only apply to structured finance instruments for which a reporting template has been specified by ESMA, and currently there is no template for CLO transactions. As a result, it is currently not possible for issuers, sponsors and originators of instruments such as the Notes to comply with the reporting obligation. 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 obligations, the Issuer may incur additional costs and

expenses to comply with the disclosure obligations. Such costs and expenses will be payable by the Issuer as Administrative Expenses.

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

1.25 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, identifying 15 specific actions to achieve this.

One of the action points (Action 6) is to prevent treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. On 16 September 2014, the OECD published its recommendations in respect of this action point. As a minimum, the OECD recommended that countries should include in their tax treaties one or both of a "limitation-on-benefits" provision and a "principal purposes test" provision.

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

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

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

Another action point (Action 7) is to develop changes to the treaty definition of a permanent establishment to prevent the artificial avoidance of having a permanent establishment in a particular jurisdiction. As yet no recommendations have been issued in respect of this action point.

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

The recommendations for action point 6 (in particular in relation to its application to CIVs and non-CIV funds) are subject to further work. Action point 7 is subject to public consultation. It is not clear what form the final recommendations of the OECD will take. Once the final recommendations are given, it is not clear whether, when, how and to what extent particular jurisdictions will decide to adopt the recommendations in respect of these and other action points.

The implementation of the recommendations could result in the Issuer being treated as having a taxable permanent establishment outside of Ireland, in denying the Issuer the benefit of Ireland's network of tax treaties or in other tax consequences for the Issuer.

1.26 **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. RELATING TO THE NOTES

2.1 Limited Liquidity and Restrictions on Transfer

Although there is currently a limited market for notes representing collateralised debt obligations similar to the Notes (other than the Subordinated Notes), there is currently no market for the Notes themselves. The Initial Purchaser may make a market for the Notes (other than the Subordinated Notes), but is not obliged to do so, and any such market-making may be discontinued at any time without notice. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of such Notes. Consequently, a purchaser must be prepared to hold such Notes for an indefinite period of time or until the Maturity Date. In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of the Issuer or any of their officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Notes will not be registered under the Securities Act or any U.S. state securities laws, and the Issuer has no plans, and is under no obligation, to register the Notes under the Securities Act. The Notes are subject to certain transfer restrictions and can be transferred only to certain transferees. See "*Plan of Distribution*" and "*Transfer Restrictions*". Such restrictions on the transfer of the Notes may further limit their liquidity.

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

2.2 Optional Redemption and Market Volatility

The market value of the Collateral Obligations may fluctuate, with, among other things, changes in prevailing interest rates, foreign exchange rates, general economic conditions, the conditions of financial markets (particularly the markets for senior and mezzanine loans, secured senior bonds and high yield bonds), European and international political events, events in the home countries of the issuers of the Collateral Obligations or the countries in which their assets and operations are based, developments or trends in any particular industry and the financial condition of such issuers. The secondary market for senior and mezzanine loans, secured senior bonds and high yield bonds is still limited. A decrease in the market value of the Portfolio would adversely affect the amount of proceeds which could be realised upon liquidation of the Portfolio and ultimately the ability of the Issuer to redeem the Notes.

A form of liquidity for the Subordinated Notes is the optional redemption provision set out in Condition 7(b) (*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 in such circumstances is greater than the aggregate of all amounts which would be due and payable on redemption of the Rated Notes and to the other creditors of the Issuer pursuant to Condition 11(b) (*Enforcement*) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Priorities of Payments.

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

The Rated Notes may be redeemed in whole from Sale Proceeds and/or Refinancing Proceeds:

(a) on any Business Day on or after the expiry of the Non-Call Period, either (x) at the direction of the Subordinated Noteholders acting by way of Ordinary Resolution or (y) at the direction in writing of the Collateral Manager;

(b) on any Business Day following the occurrence of a Collateral Tax Event at the direction of the Subordinated Noteholders acting by Ordinary Resolution; or

(c) on any payment Date in whole but not in part at the written direction of (x) the Controlling Class or (y) the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, following the occurrence of a Note Tax Event,

in each case subject to certain requirements and condition set out herein. See Condition 7(b) (*Optional Redemption*). Investors should carefully review the circumstances and requirements set out in Condition 7(b) (*Optional Redemption*).

In addition, subject to certain conditions set out herein, Refinancing Proceeds may be used to redeem all Classes of Rated Notes in whole or in part by Class on any Business Day falling on or after the expiry of the Non-Call Period at the written direction of the Collateral Manager or the Subordinated Noteholders acting by Ordinary Resolution. See Condition 7(b)(ii) (*Optional Redemption in Part—Subordinated Noteholders/Collateral Manager*). It should be noted that following the publication of the U.S. Risk Retention Requirements it is unclear whether a Refinancing or the issuance of additional notes will trigger the U.S. Risk Retention Requirements if such action is taken after the U.S. Risk Retention Effective Date. As such, the ability of the Issuer and the Noteholders to issue additional notes or enter into a Refinancing may be impacted. See 1.12 "*U.S. Dodd Frank Act*" above.

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

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

The Rated Notes may also be redeemed in whole but not in part by the Issuer if directed in writing by the Collateral Manager, at the applicable Redemption Prices, on any Business Day falling on or after the expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Collateral Principal Amount is less than 20 per cent. of the Target Par Amount provided that the Subordinated Noteholders shall not have objected to such redemption by way of Ordinary Resolution within 30 days of the Issuer giving notice thereof to the Noteholders in accordance with Condition 16 (*Notices*).

In the event of an early redemption, the holders of the Notes will be repaid prior to the Maturity Date. Where the Notes are to be redeemed by liquidation, there can be no assurance that the Sale Proceeds realised and other available funds would permit any distribution on the Subordinated Notes after all required payments are made to the holders of the Rated Notes. Where the Rated Notes are to be redeemed by liquidation, there can be no assurance that the Sale Proceeds realised would permit any distribution on the Subordinated Notes after all required payments are made to the holders of the Rated Notes or, in certain circumstances, that losses would not be incurred on Rated Notes. In addition, an Optional Redemption could require the Collateral Manager to

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

Where the Rated Notes are redeemable at the discretion of a transaction party or a particular Class of Noteholders, there is no obligation to consider the interests of any other party or Class of Noteholders when exercising such discretion. Furthermore, where one or more Classes of Rated Notes are redeemed through a Refinancing, Noteholders should be aware that any such redemption would occur outside of the Note Payment Sequence and the Priorities of 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. In addition, a Refinancing may result in a Class of Rated Notes having a shorter maturity date than other Classes of Rated Notes. See 2.6 (*Refinancing*) below.

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

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Collateral Manager in its sole discretion notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion and which would meet the Eligibility Criteria and where acquisition by the Issuer would be in compliance with, to the extent applicable, the Reinvestment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account to be invested in additional Collateral Obligations. On the Special Redemption Date, the Special Redemption Amount will be applied in accordance with the Priorities of Payments. See Condition 7(d) (*Special Redemption*). The application of funds in that manner could result in an elimination, deferral or reduction of amounts available to make payments with respect to the Subordinated Notes.

2.5 Mandatory Redemption of the Notes

Certain mandatory redemption arrangements may result in an elimination, deferral or reduction in the interest payments or principal repayments made to the Noteholders of the Rated Notes or the level of the returns to the Subordinated Noteholders, including an Effective Date Rating Event, the breach of any of the Coverage Tests and a Special Redemption. See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*), Condition 7(d) (*Special Redemption*) and Condition 7(e) (*Redemption upon Effective Date Rating Event*).

2.6 Refinancing

Following a Refinancing in part pursuant to the Conditions, a Class of Refinancing Obligation may in certain circumstances have a maturity date that is earlier than the maturity date of Classes of Notes ranking lower than such Refinancing Obligations in the Priorities of Payment. This could result in the Issuer (or the Collateral Manager on its behalf) being required to sell Collateral Obligations or use Principal Proceeds which could have been used for reinvestment to redeem such maturing Class of Notes. This could adversely affect returns to the Subordinated Noteholders.

2.7 The Reinvestment Period may Terminate Early

The Reinvestment Period may terminate early if, among other things, any of the following occur: (a) acceleration following a Note Event of Default or (b) the Collateral Manager notifies the Issuer that it is unable to invest in additional Collateral Obligations in accordance with the Collateral Management and Administration Agreement. Early termination of the Reinvestment Period could adversely affect returns to the Subordinated Noteholders and may also cause the holders of Rated Notes to receive principal payments earlier than anticipated.

2.8 The Collateral Manager May Reinvest After the End of the Reinvestment Period

After the end of the Reinvestment Period, the Collateral Manager may still reinvest Unscheduled Principal Proceeds received with respect to the Portfolio and the Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations, subject to certain conditions set forth in the Collateral Management and Administration Agreement. See "*The Portfolio—Management of the Portfolio—Reinvestment of Collateral Obligations; Following the Expiry of the Reinvestment Period*" below.

2.9 Additional Issuances of Notes May Prevent the Failure of Coverage Tests and a Note Event of Default

At any time, the Issuer may issue and sell additional Notes and use the net proceeds to acquire Collateral Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Obligations. See Condition 17 (*Additional Issuances*). The application of the proceeds of additional Notes as Principal Proceeds or toward the acquisition of additional Collateral Obligations could result in satisfaction of a Coverage Test that would otherwise be failing and could also prevent certain Note Events of Default from occurring and thus, potentially decrease the occurrence of principal prepayments of the highest ranking Class of Notes. Likewise, any such action could prevent a Note Event of Default which would otherwise have occurred and therefore potentially result in the Notes continuing to be outstanding in circumstances where the Controlling Class may otherwise have had the right to direct the Trustee to accelerate the Notes. Consequentially, the average life of the Notes may be longer than it would otherwise be. See 2.17 (*Average Life and Prepayment Considerations*) below.

2.10 Limited Recourse Obligations

The Notes are limited recourse obligations of the Issuer and are payable solely from amounts received in respect of the Collateral securing the Notes. Payments on the Notes both prior to and following enforcement of the security over the Collateral are subordinated to the prior payment of certain fees and expenses of, or payable by, the Issuer and to payment of principal and interest on prior ranking Classes of Notes. See Condition 4(c) (*Limited Recourse and Non-Petition*). None of the Collateral Manager, the Noteholders of any Class, the Initial Purchaser, the Trustee, the Collateral Administrator, the Custodian, any other Agent, any Hedge Counterparty or any Affiliates of any of the foregoing or the Issuer's Affiliates or any other person or entity (other than the Issuer) will be obliged to make payments on the Notes of any Class. Consequently, Noteholders must rely solely on distributions on the Collateral Obligations and other Collateral securing the Notes for the payment of principal, discount, interest and premium, if any, thereon. There can be no assurance that the distributions on the Collateral Obligations and other Collateral securing the Notes will be sufficient to make payments on any Class of Notes after making payments on more senior Classes of Notes and certain other required amounts to other creditors ranking senior to or *pari passu* with such Class pursuant to the Priorities of Payments. If distributions on the Collateral are insufficient to make payments on the Notes, no other assets (and, in particular, no assets of the Collateral Manager, the Noteholders, the Initial Purchaser, the Trustee, the Collateral Administrator, the Custodian, any other Agent, any Hedge Counterparty or any Affiliates of any of the foregoing) will be available for payment of the deficiency and following realisation of the Collateral and the application of the proceeds thereof in accordance with the Priorities of Payments, the obligations of the Issuer to pay such deficiency shall be extinguished. Such shortfall will be borne (as amongst the Noteholders) by (a) firstly, the Subordinated Noteholders; (b) secondly, the Class F Noteholders; (c) thirdly, the Class E Noteholders; (d) fourthly, the Class D Noteholders; (e) fifthly, the Class C Noteholders; (f) sixthly, the Class B Noteholders and (g) lastly, the Class A Noteholders, in each case in accordance with the Priorities of Payments.

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

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

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

could result in any payments under the Notes made during the period prior to such presentation being deemed to be a fraudulent or improper disposition of the Issuer's assets.

2.12 Subordination of the Notes

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

Except as described below, the payment of principal and interest on any other Classes of Notes may not be made until all payments of principal and interest due and payable on any Classes of Notes ranking in priority thereto pursuant to the Priorities of Payments have been made in full, subject to and as more fully described in the Priorities of Payments. Payments on the Subordinated Notes will be made by the Issuer to the extent of available funds and no payments thereon will be made until the payment of certain fees and expenses have been made and until interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes has been paid and are subject always to the right of the Collateral Manager on behalf of the Issuer to transfer amounts which would have been payable on the Subordinated Notes to the Supplemental Reserve Account to be applied in the acquisition of additional Collateral Obligations or in the acquisition or exercise of rights under Collateral Enhancement Obligations and, in the event that the Reinvestment Overcollateralisation Test is not satisfied on any Measurement Date on or after the Effective Date and during the Reinvestment Period, the requirement to either transfer amounts to the Principal Account to be applied in the acquisition of Collateral Obligations or to redeem the Notes in accordance with the Note Payment Sequence, to the extent necessary to cause such threshold to be satisfied, following such acquisition or redemption.

Upon a failure of the Class F Par Value Test, rather than redeeming the Rated Notes in accordance with the Note Payment Sequence, Interest Proceeds will first be used to redeem the Class F Notes in accordance with and subject to the Interest Proceeds Priority of Payments and then to redeem the Rated 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. If Interest Proceeds are insufficient to cure such failure, Principal Proceeds will be used to redeem the Rated Notes in accordance with the Note Payment Sequence in each case subject to the Priorities of Payment.

Non-payment of any Interest Amount due and payable in respect of the Class A Notes or the Class B Notes on any Payment Date will constitute a Note Event of Default (where such non-payment continues for a period of at least five Business Days or seven Business Days in the case of an administrative error or omission). In such circumstances, the Controlling Class, which in these circumstances will be the Class A Noteholders (or, following redemption and repayment of the Class A Notes in full, the Class B Noteholders), acting by Extraordinary Resolution, may request the Trustee to accelerate the Notes pursuant to Condition 10 (*Events of Default*).

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

could be adverse to the interests of the Class F Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class F Noteholders could be adverse to the interests of the Subordinated Noteholders.

The Trust Deed provides that in the event of any conflict of interest among or between the Class A 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, the interests of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of: (i) the Class A Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (ii) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (iii) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (iv) the Class D Noteholders over the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (v) the Class E Noteholders over the Class F Noteholders and the Subordinated Noteholders; and (vi) the Class F Noteholders over the Subordinated Noteholders. In the event that the Trustee shall receive conflicting or inconsistent requests from two or more groups of holders of the Controlling Class (or another Class is given priority as described in this paragraph), the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class given priority as described in this paragraph) in such circumstances, and shall not be obliged to consider the interests of the holders of any other Class of Notes, provided that such action is consistent with the applicable law and with all other provisions of the Trust Deed. See Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*).

2.13 Amount and Timing of Payments

To the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes are not made on a relevant Payment Date, such unpaid interest amounts will be deferred and the amount thereof added to the principal amount Outstanding of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as the case may be, and earn interest at the interest rate 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 the Subordinated Notes at any time, due to there being insufficient funds available to pay such interest in accordance with the applicable Priorities of Payments, will not be a Note Event of Default unless and until such Class of Notes is the most senior Class of Notes outstanding. 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 Collateral Obligations by or on behalf of the Issuer and the amounts of the claims of creditors of the Issuer ranking in priority to the holders of each Class of the Notes. In particular, prospective purchasers of such Notes should be aware that the amount and timing of payment of the principal and interest on the Collateral Obligations will depend upon the detailed terms of the documentation relating to each of the Collateral Obligations and on whether or not any Obligor thereunder defaults in its obligations.

2.14 Calculation of Rate of Interest

If the relevant EURIBOR screen rate does not appear, or the relevant page is unavailable, in the manner described in Condition 6(e)(i) (*Rate of Interest*) there can be no guarantee that the Issuer will be able to select four Reference Banks to provide quotations, in order to determine any Rate of Interest in respect of the Notes. Certain financial institutions that have historically acted as Reference Banks have indicated that they will not currently provide quotations and there can be no assurance that they will agree to do so in the future. No Reference Banks have been selected as at the date of this Offering Circular.

If a EURIBOR screen rate does not appear, or the relevant page is unavailable, and the Issuer is unable to select Reference Banks to provide quotations in the manner described in Condition 6(e)(i)(B) (*Rate of Interest*), the relevant Rate of Interest in respect of such Payment Date shall be determined, pursuant to Condition 6(e)(i)(C) (*Rate of Interest*), as the Rate of Interest in effect as at the immediately preceding Accrual Period that was determined by reference to a EURIBOR screen rate or through quotations provided by four Reference Banks. To the extent interest amounts in respect of the Notes are determined by reference to a previously calculated rate,

Noteholders may be adversely affected. In such circumstances, neither the Calculation Agent nor the Trustee shall have any obligation to determine the Rate of Interest on any other basis.

2.15 Reports Provided by the Collateral Administrator Will Not Be Audited

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

2.16 Ratings of the Notes Not Assured and Limited in Scope

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

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

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

As at the date of this Offering Circular, each of the Rating Agencies is established in the European Union and is registered under CRA3. As such each Rating Agency is included in the list of credit rating agencies published by ESMA on its website in accordance with CRA3. ESMA may determine that one or both of the Rating Agencies no longer qualifies for registration under CRA3 and that determination may also have an adverse effect on the market prices and liquidity of the Rated Notes.

Rating Agencies may refuse to give rating agency confirmations

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

If a Rating Agency announces or informs the Trustee, the Collateral Manager or the Issuer that confirmation from such Rating Agency is not required for a certain action or that its practice is to not give such confirmations for certain types of actions, the requirement for confirmation from such Rating Agency will not apply. Further,

in connection with the Effective Date, if either Rating Agency has not yet confirmed its initial ratings of the applicable Rated Notes or, in the case of Moody's it has not been deemed to have provided such confirmation, the applicable Rated Notes will be subject to redemption in part in an amount and in the manner described under Condition 7(e) (*Redemption upon Effective Date Rating Event*). There can be no assurance that a Rating Agency will provide such rating confirmations upon request, regardless of the terms agreed to among transaction participants, or not subsequently withdraw or downgrade its ratings on one or more Classes of Rated Notes, which could materially adversely affect the value 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 product (such as this transaction) paid for by the "arranger" (defined as the issuer, the underwriter or the sponsor) to obtain an undertaking from the arranger to (i) create a password protected website, (ii) post on that website all information provided to the rating agency in connection with the initial rating of any Class of Rated Notes and all information provided to the rating agency in connection with the surveillance of such rating, in each case, contemporaneous with the provision of such information to the applicable rating agency and (iii) provide access to such website to other rating agencies that have made certain certifications to the arranger regarding their use of the information. In this transaction, the "arranger" is the Issuer.

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

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

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

2.17 Average Life and Prepayment Considerations

The Maturity Date of the Notes is the Payment Date falling on 26 April 2029 (subject to adjustment for non Business Days); however, the principal of the Notes of each Class is expected to be repaid in full prior to the Maturity Date. Average life refers to the average amount of time that will elapse from the date of delivery of a Note until each Euro of the principal of such Note will be paid to the investor. The average lives of the Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Collateral Obligations (whether through sale, maturity, redemption, default or other liquidation or disposition). The actual average lives and actual maturities of the Notes will be affected by the financial condition of the issuers of the underlying Collateral Obligations and the characteristics of such loans, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, the actual default rate, the actual level of recoveries on any Defaulted Obligations and the timing of defaults and recoveries, and the frequency of tender or exchange offers for such Collateral Obligations. Collateral Obligations may be subject to optional prepayment by the Obligor of such loans. Any disposition of a Collateral Obligation may change the composition and characteristics of the Collateral Obligations and the rate of payment thereon and, accordingly, may affect the actual average lives of the Notes. The rate of and timing of future defaults and the amount and timing of any cash realisation from Defaulted Obligations also will affect the maturity and average lives of the Notes.

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

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

2.18 Volatility of the Subordinated Notes

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

In addition, the failure to meet certain Coverage Tests will result in cash flow that may have been otherwise available for distribution to the Subordinated Notes, to pay interest on one or more subordinate Classes of Rated Notes or for reinvestment in Collateral Obligations being applied on the next Payment Date to make principal payments on the more senior classes of Rated Notes until such Coverage Tests have been satisfied. This feature will likely reduce the return on the Subordinated Notes and/or one or more subordinate Classes of Rated Notes and cause temporary or permanent suspension of distributions to the Subordinated Notes and/or one or more subordinate Classes of Rated Notes. See 2.5 (*Mandatory Redemption of the Notes*) above.

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

2.19 Net Proceeds less than Aggregate Amount of the Notes

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

2.20 Withholding Tax on the Notes

So long as the Notes remain listed on the Irish Stock Exchange or another recognised stock exchange, and held in a recognised clearing system, no withholding tax would currently be imposed on payments of interest on the Notes. However, there can be no assurance that the law will not change. In addition, as described under Condition 9 (*Taxation*), the Issuer is authorised to withhold amounts otherwise distributable to a holder if the holder fails to provide the Issuer or its agents with any correct, complete and accurate information that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer, or if the holder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA.

If any withholding tax or deduction for tax is imposed on payments of interest on the Notes, the holders of the Notes will not be entitled to receive grossed-up amounts to compensate for such withholding tax and no Note Event of Default shall occur as a result of any such withholding or deduction.

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

2.21 **Security**

Clearing Systems: Collateral Obligations or other assets forming part of the Collateral which are in the form of securities (if any) will be held by the Custodian on behalf of the Issuer pursuant to the Agency Agreement and, in respect of any assets cleared through Euroclear, on behalf of the Issuer pursuant to the Euroclear Security Agreement. The effect of this security interest will be to enable the Custodian on enforcement, to sell the securities in the Euroclear Account on behalf of the Trustee. The Custodian will hold such assets which can be cleared through Euroclear in an account with Euroclear (the "**Euroclear Account**") unless the Trustee otherwise consents and will hold the other securities comprising the Portfolio which cannot be so cleared (i) through its accounts with Clearstream, Luxembourg and The Depository Trust Company ("**DTC**"), as appropriate, and (ii) through its sub-custodians who will in turn hold such assets which are securities both directly and through any appropriate clearing system. Those assets held in clearing systems will not be held in special purpose accounts and will be fungible with other securities from the same issue held in the same accounts on behalf of the other customers of the Custodian or its sub custodian, as the case may be. A first fixed charge over the Portfolio will be created under English law pursuant to the Trust Deed on the Issue Date which will, in relation to the Collateral Obligations that are held through the Custodian, take effect as a security interest over (i) the beneficial interest of the Issuer in its share of the pool of securities fungible with the relevant Collateral Obligations held in the accounts of the Custodian on trust for the Issuer and (ii) the Issuer's ancillary contractual rights against the Custodian in accordance with the terms of the Agency Agreement which may expose the Secured Parties to the risk of loss in the case of a shortfall of such securities in the event of insolvency of the Custodian or its sub-custodian.

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

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

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

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

2.22 **Resolutions, Amendments and Waivers**

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

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 (subject to being indemnified and/or secured and/or prefunded to its satisfaction) or by one or more Noteholders holding not less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes of a particular Class, subject to certain conditions including minimum notice periods.

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

In the event that a meeting of Noteholders is called to consider a Resolution, determination as to whether the requisite number of Notes has been voted in favour of such Resolution will be determined by reference to the percentage which the Notes voted in favour represent of the total amount of Notes voted in respect of such Resolution and not the aggregate Principal Amount Outstanding of all such Notes held or represented by any person or persons entitled to vote at such meeting. This means that a lower percentage of Noteholders may pass a Resolution which is put to a meeting of Noteholders than would be required for a Written Resolution in respect of the same matter. There are however quorum provisions which provide that a minimum number of Noteholders representing a minimum amount of the aggregate Principal Amount Outstanding of the applicable Class or Classes of Notes be present at any meeting to consider an Extraordinary Resolution or Ordinary Resolution. In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than 66 2/3 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable) and, in the case of an Ordinary Resolution, this is one or more persons holding or representing more 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 the event that a quorum requirement is not satisfied at any meeting, those quorum thresholds will apply at any meeting previously adjourned for want of quorum as set out in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and in the Trust Deed. In both cases, the quorum is less at an adjourned meeting. 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 66 2/3 per cent. of the aggregate of the Principal Amount Outstanding of the Notes of each Class represented at the meeting. Accordingly, it is likely that, at any meeting of the Noteholders, an Ordinary Resolution may be passed with less than 50 per cent. and an Extraordinary Resolution may be passed with less than 66 2/3 per cent. respectively of all the Noteholders of each Class of Notes or relevant Class or Classes of Notes, as applicable. Such quorum provisions still, however, require considerably lower thresholds than would be required for a Written Resolution.

Certain decisions, including the removal of the Collateral Manager, instructing the Trustee to accelerate the Notes and instructing the Trustee to sell the Collateral following the acceleration of the Notes require authorisation solely by the Noteholders of a Class or Classes (acting by Extraordinary Resolution).

Notes that are in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes will have no right to vote in connection with and will not be counted for the purposes of determining a quorum or the result of voting on any CM Removal Resolution or any CM Replacement Resolution.

Any Notes held by or on behalf of any Collateral Manager Related Person shall have no voting rights with respect to, and shall not be counted for the purposes of determining a quorum and the results of voting on any, CM Removal Resolution or CM Replacement Resolution.

Class A Notes, Class B Notes, Class C Notes and Class D Notes in the form of CM Voting Notes may form a small percentage of the Controlling Class (or other relevant Class or Classes) and/or be held by a concentrated group of Noteholders. Investors should be aware that such CM Voting Notes will be entitled to vote to pass a CM Removal Resolution and a CM Replacement Resolution and the remaining percentage of the Controlling

Class (or other relevant Class or Classes) held in the form of CM Non-Voting Notes and/or CM Non-Voting Exchangeable Notes will be bound by such resolution. Holders of the CM Voting Notes may have interests that differ from other holders of Class A Notes, Class B Notes, Class C Notes and Class D Notes and may seek to profit or seek direct benefits from their voting rights. The entire Class of Subordinated Notes may also be held by a concentrated group of Noteholders. Investors should also be aware that such group of Noteholders would in such circumstances exercise effective control over the exercise of rights granted to Subordinated Noteholders as a Class pursuant to the Conditions and the Trust Deed and may have interests that differ from other Noteholders and may seek to profit or seek direct benefits from their effective control over the exercise of such rights.

Certain amendments and modifications may be made without the consent of Noteholders. See Condition 14(c) (*Modification and Waiver*). Such amendment or modification could be adverse to certain Noteholders. Without limitation to the foregoing, potential investors should note that the Issuer may amend the Transaction Documents to modify or amend the components of the Portfolio Profile Tests, the Reinvestment Overcollateralisation Test or the Collateral Quality Tests and the related definitions, provided that (i) an officer of the Collateral Manager has certified to the Trustee that such modification or amendment would not materially adversely affect the interests of Noteholders of any Class of Notes (upon which certificate the Trustee shall rely absolutely and without further enquiry or liability) (ii) Rating Agency Confirmation has been obtained and (to the extent provided in Condition 14(c) (*Modification and Waiver*)) the Controlling Class and the Subordinated Noteholders each acting by way of Ordinary Resolution have consented (provided that any such modification or amendment to the Collateral Quality Tests required to be made in order to reflect changes in the methodology applied by the Rating Agencies and expressly required for such purpose by each applicable Rating Agency shall not require Rating Agency Confirmation, the consent of the Controlling Class or the consent of the Subordinated Noteholders).

Certain entrenched rights relating to the Conditions including the currency thereof, Payment Dates applicable thereto, the Priorities of Payment, the provisions relating to quorums and the percentages of votes required for the passing of a Resolution cannot be amended or waived by Ordinary Resolution but require an Extraordinary Resolution. It should however be noted that amendments may still be effected and waivers may still be granted in respect of such provisions in circumstances where not all Noteholders agree with the terms thereof and any amendments or waivers once passed in accordance with the provisions of the Conditions and the provisions of the Trust Deed will be binding on all such dissenting Noteholders. In addition to the Trustee's right to agree to changes to the Transaction Documents to correct a manifest error, or to changes which, in its opinion, are not materially prejudicial to the interests of the Noteholders of any Class without the consent of the Noteholders, modifications may also be made and waivers granted in respect of certain other matters, which the Trustee is obliged to consent to without the consent of Noteholders as set out in Condition 14(c) (*Modification and Waiver*).

Each Hedge Counterparty may also need to be notified and its consent required to the extent provided for in the applicable Hedge Agreement in respect of a modification, amendment or supplement to any provision of the Transaction Documents. The Hedge Agreements may allow a certain period for the relevant Hedge Counterparty to consider and respond to such a consent request. During such period and pending a response from the relevant Hedge Counterparty, the Issuer may not be able to make such modification, amendment or supplement and therefore implementation thereof may be delayed. Any such consent, if withheld, may prevent a modification of the Transaction Documents which may have been beneficial to or in the best interests of Noteholders or in a manner required in order to ensure regulatory compliance.

In addition, to the extent that the Issuer determines (in its reasonable opinion) that any proposed amendment, modification or supplement to any provisions in the Transaction Documents shall have a material adverse effect on the rights or obligations of the Collateral Manager, the Issuer will be restricted from making the proposed amendment, modification or supplement unless it has obtained the Collateral Manager's consent in writing.

2.23 Concentrated Ownership of One or More Classes of Notes

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

2.24 Enforcement Rights Following a Note Event of Default

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

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion, and shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), if so directed by the Controlling Class acting by Extraordinary Resolution, take Enforcement Action in respect of the security over the Collateral provided that no such Enforcement Action may be taken by the Trustee unless: (A) it determines in accordance with Condition 11 (*Enforcement*) that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith), would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes other than the Subordinated Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payments; or otherwise (B)(i) in the case of a Note Event of Default specified in sub-paragraphs (i), (ii) or (iv) of Condition 10(a) (*Note Events of Default*) the Controlling Class, by Extraordinary Resolution (and no other Class of Notes) may direct the Trustee to take Enforcement Action without regard to any other Note Event of Default which has occurred prior to, contemporaneously or subsequent to such Note Event of Default, or (ii) in the case of any other Note Event of Default, the Requisite Majority of the Noteholders of each Class of Rated Notes acting by way of Written Resolution may direct the Trustee to take Enforcement Action.

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

2.25 Certain ERISA Considerations

Under a regulation of the U.S. Department of Labor, if certain employee benefit plans or other retirement arrangements subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, ("**ERISA**") or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, (the "**Code**") or entities whose underlying assets are treated as assets of such plans or arrangements (collectively, "**Plans**") invest in the Class E Notes, 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 the section entitled "*Certain ERISA Considerations*" below.

2.26 U.S. Tax Risks

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

Distributions on the Notes to a Non-U.S. Noteholder (as defined in "*Tax Considerations — Certain U.S. Federal Income Tax Considerations*") that provides appropriate tax certifications to the Issuer and gain recognised on the sale, exchange or retirement of the Notes by the Non-U.S. Noteholder 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. Noteholder in the United States or, in the case of gain, the Non-U.S. Noteholders 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. Noteholders 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 U.S. federal income tax purposes and that is itself engaged in a trade or business in the United States), including upon a foreclosure, or breach certain of its other covenants, the Issuer could be engaged in a U.S. trade or business for U.S. federal income tax purposes. Moreover, a breach of certain of these covenants may not give rise to a Note Event of Default and may not give rise to a claim against the Issuer or the Collateral Manager. A change in law or its interpretation also could result in the Issuer being treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis. If it is determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer will be subject under the Code to the regular U.S. corporate income tax on its effectively connected taxable income, which may be imposed on a gross basis, and possibly to a 30 per cent. branch profits tax and state and local taxes as well. The imposition of such a tax 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 Noteholders of Notes to the Office of the Revenue Commissioners of Ireland, which would then provide this information to the IRS. There can be no assurance that the Issuer will be able to comply with these regulations. In addition, the intergovernmental agreement could be amended to require the Issuer to withhold on "passthru" payments to certain investors that fail to provide information to the Issuer or are "foreign financial institutions" that do not comply with FATCA.

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

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. Noteholders (as defined in "*Tax Considerations — Certain U.S. Federal Income Tax Considerations*") may be able to avoid these adverse consequences by filing a protective "qualified electing fund" election with respect to their Class E Notes and Class F Notes. See "*Tax Considerations — Certain U.S. Federal Income Tax Considerations — Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Income 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 an investment in a Note, please see the summary under "*Tax Considerations — Certain U.S. Federal Income Tax Considerations*" below.

2.27 **Forced Transfer**

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule l44A Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is both a QIB and a QP. In addition each Noteholder will be deemed or in some cases required to make certain representations in respect of ERISA.

The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines that any holder of an interest in a Rule 144A Note is a U.S. person as defined under Regulation S under the Securities Act (a "**U.S. Person**") and is not both a QIB and a QP at the time it acquires an interest in a Rule l44A Note (any such person, a "**Non-Permitted Noteholder**") or a Noteholder is a Non-Permitted ERISA Noteholder, the Issuer shall, promptly after determination that such person is a Non-Permitted Noteholder or Non-Permitted ERISA Noteholder by the Issuer, send notice to such Non-Permitted Noteholder or Non-Permitted ERISA Noteholder (as applicable) demanding that such Noteholder transfer its interest outside the United States to a non-U.S. Person or to a person that is not a Non-Permitted Noteholder or Non-Permitted ERISA Noteholder (as applicable) within 30 days (or 10 days in the case of a Non Permitted ERISA Noteholder) of the date of such notice. If such Noteholder fails to effect the transfer required within such 30-day period (or 10 day period in the case of a Non Permitted ERISA Noteholder), (a) upon direction from the Issuer or the Collateral Manager on its behalf, the Registrar, on behalf of and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a commercially reasonable sale to a person or entity that certifies to the Registrar and the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB and a QP and is not a Non-Permitted ERISA Noteholder 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, and, if the Noteholder does not sell its Notes within 10 business days after notice from the Issuer, to sell the Noteholder's Notes on behalf of the Noteholder.

2.28 **UK Taxation of Issuer**

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

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

The Issuer should not be subject to UK tax in consequence of the activities which the Collateral Manager carries out on its behalf provided that the Issuer's activities are regarded as investment activities rather than trading activities.

Even if the Issuer is regarded as carrying on a trade in the UK through the agency of the Collateral Manager for the purposes of UK taxation, it will not be subject to UK tax if the exemption in Article 5(6) of the UK-Ireland tax treaty applies. This exemption will apply if the Collateral Manager is regarded as an agent of independent status acting in the ordinary course of its business for the purpose of the UK-Ireland tax treaty. It should be noted that the specific domestic UK tax exemption for profits generated in the UK by an investment manager on behalf of its non-resident clients (section 1146 of the Corporation Tax Act 2010) may not be available in the context of this transaction if the Collateral Manager (or certain connected entities) holds more than 20 per cent. of the Subordinated Notes. However, the inapplicability of this domestic exemption should not have any effect on the UK tax position of the Issuer if the exemption in Article 5(6) of the UK-Ireland tax treaty, as referred to above, applies.

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

would also be liable to pay UK tax on its UK taxable profits in the unlikely event that it were treated as being tax resident in the UK (such payment to be made in accordance with the relevant Priorities of Payment). If UK tax is imposed on the net income or profits of the Issuer, this may trigger a Note Tax Event and result in an optional redemption of the Notes in accordance with Condition 7(g) (*Redemption following Note Tax Event*).

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 intention of the UK Government to introduce the diverted profits tax in Finance Bill 2015 was confirmed in the UK Budget, held on 18 March 2015. The tax is to take 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 or services to customers in the United Kingdom 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 final scope of the tax and the basis upon which HM Revenue & Customs may apply it remains uncertain.

3. RELATING TO THE COLLATERAL

3.1 The Portfolio

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

Neither the Issuer nor the Initial Purchaser have made any investigation into the Obligors of the Collateral Obligations. The value of the Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and none of the Issuer, the Trustee, the Initial Purchaser, the Custodian, the Collateral Manager, the Collateral Administrator, any other Agent, any Hedge Counterparty or any of their respective Affiliates are under any obligation to maintain the value of the Collateral Obligations at any particular level. None of the Issuer, the Trustee, the Custodian, the Collateral Manager, the Collateral Administrator, any other Agent, any Hedge Counterparty, the Initial Purchaser or any of their respective Affiliates has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Collateral Obligations from time to time.

3.2 Nature of Collateral; Defaults

The Collateral on which the Notes and the claims of the other Secured Parties are secured will be subject to credit, liquidity, interest rate and exchange rate risks. The Portfolio of Collateral Obligations which will secure the Notes will be predominantly comprised of Secured Senior Loans, Unsecured Senior Loans, Second Lien Loans and Mezzanine Loans, as well as certain other investments, all of which will have greater credit and liquidity risk than investment grade sovereign or corporate bonds or loans.

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

The subordination levels of each of the Classes of Notes will be established to withstand certain assumed deficiencies in payment caused by defaults on the related Collateral Obligations. If, however, actual payment

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

To the extent that a default occurs with respect to any Collateral Obligation and the Issuer or Trustee sells or otherwise disposes of such Collateral Obligation, the proceeds of such sale or disposition are likely to be less than the unpaid principal and interest thereon. Even in the absence of a default with respect to any of the Collateral Obligations, the potential volatility and illiquidity of the sub-investment grade high yield and leveraged loan markets means that the market value of such Collateral Obligations at any time will vary, and may vary substantially, from the price at which such Collateral Obligations were initially purchased and from the principal amount of such Collateral Obligations. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of such Collateral Obligations at any time, or that the proceeds of any such sale or disposition would be sufficient to repay a corresponding par amount of principal of and interest on the Notes after, in each case, paying all amounts payable prior thereto pursuant to the Priorities of Payments. Moreover, there can be no assurance as to the amount or timing of any recoveries received in respect of Defaulted Obligations.

3.3 Acquisition of Collateral Obligations Prior to the Issue Date

On behalf of the Issuer, the Collateral Manager has acquired, and will continue to enter into binding commitments to acquire, Collateral Obligations prior to the Issue Date pursuant to a financing arrangement (the "**Warehouse Arrangements**"). The Warehouse Arrangements were provided by a senior noteholder and subordinated noteholders (the "**Warehouse Providers**"). Some of the Collateral Obligations may have been acquired from a Warehouse Provider. The Warehouse Arrangements must be terminated in all respects on the Issue Date, and all amounts owing to the Warehouse Providers in connection with such arrangements must be repaid by the Issue Date from the proceeds of the issuance of the Notes.

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

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

In addition, any interest or other amounts paid or accrued on such Collateral Obligations during the period prior to the Issue Date will be paid to the Warehouse Providers on the Issue Date. Investors in the Notes will be assuming the risk of market value and credit quality changes in the Collateral Obligations from the date such Collateral Obligations are acquired during the period prior to the Issue Date but will not receive the benefit of interest earned on the Collateral Obligations during such period provided that any risk in relation to any Collateral Obligations which are ineligible collateral as at the Issue Date or which do not satisfy the Eligibility Criteria as at the Issue Date shall be borne by the Warehouse Providers.

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

3.4 Acquisitions of Collateral Obligations and purchase price for such acquisitions

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

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

3.5 Considerations Relating to the Initial Investment Period

During the Initial Investment Period, the Collateral Manager on behalf of the Issuer, will seek to acquire additional Collateral Obligations in order to satisfy each of the Coverage Tests (other than in respect of the Interest Coverage Tests, which are required to be satisfied as at the Determination Date preceding the third Payment Date), Collateral Quality Tests, Portfolio Profile Tests and Target Par Amount requirement as at the Effective Date. See "*The Portfolio*". The ability to satisfy such tests and requirement will depend on a number of factors beyond the control of the Issuer and the Collateral Manager, including the availability of obligations that satisfy the Eligibility Criteria and other Portfolio related requirements in the primary and secondary loan markets, the condition of the financial markets, general economic conditions and international political events. Therefore, there can be no assurance that such tests and requirements will be met. In addition, the ability of the Issuer to enter into Currency Hedge Transactions upon the acquisition of Non-Euro Obligations will depend upon a number of factors outside the control of the Collateral Manager, including its ability to identify a suitable Currency Hedge Counterparty with whom the Issuer may enter into Currency Hedge Transactions. To the extent it is not possible to purchase such additional Collateral Obligations, the level of income receivable by the Issuer on the Collateral, and therefore its ability to meet its interest payment obligations under the Notes, may be adversely affected. Such inability to invest may also shorten the weighted average lives of the Notes as it may lead to early redemption of the Notes. To the extent such additional Collateral Obligations are not purchased, the level of income receivable by the Issuer on the Collateral and therefore its ability to meet its interest payment obligations under the Notes, together with the weighted average lives of the Notes, may be adversely affected. Any failure by the Collateral Manager (on behalf of the Issuer) to acquire such additional Collateral Obligations and/or enter into required Currency Hedge Transactions during such period could result in the non-confirmation or downgrade or withdrawal by any Rating Agency of its Initial Rating of any Class of Notes. Such non-confirmation, downgrade or withdrawal may result in the redemption of the Notes, shortening their weighted average life and reducing the leverage ratio of the Subordinated Notes to the other Classes of Notes which could adversely affect the level of returns to the Subordinated Noteholders. Any such redemption of the Notes may also adversely affect the risk profile of Classes of Notes in addition to the Subordinated Notes to the extent that the amount of excess spread capable of being generated in the transaction reduces as the result of redemption of the most senior ranking Classes of Notes in accordance with the Note Payment Sequence which bear a lower rate of interest than the remaining Classes of Rated Notes.

3.6 Underlying Portfolio

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

The Portfolio Profile Tests provide that as of the Effective Date, the Collateral Principal Amount must consist of either "not less than" or "not more than" certain specified percentages of particular categories of Collateral Obligations including Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Second Lien Loans and High Yield Bonds. Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Second Lien Loans and High Yield 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. Secured Senior Loans and Secured Senior Bonds are typically at the most senior level of the capital structure with Second Lien Loans being subordinated thereto and Mezzanine Obligations being subordinated to any Senior Loans or to any other senior debt of the Obligor. Secured Senior Loans and Secured Senior Bonds are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred stock of the Obligor and its subsidiaries and any applicable associated liens relating thereto. In continental Europe, security is often limited to shares in certain group companies, accounts receivable, bank account balances and intellectual property rights. Mezzanine Obligations may have the benefit of a second priority charge over such assets. Unsecured Senior Loans do not have the benefit of such security. High Yield Bonds are also generally unsecured. Secured Senior Loans usually have shorter terms than more junior obligations and often require mandatory prepayments from excess cash flows, asset dispositions and offerings of debt and/or equity securities.

Bonds typically bear interest at a fixed rate. Risks associated with fixed rate obligations are discussed at "*Risk Factors—Relating to the Collateral—Interest Rate Risk*" below. Additionally, Secured Senior Bonds and High Yield Bonds typically contain bondholder collective action clauses permitting specified majorities of bondholders to approve matters which, in a typical Secured Senior Loan, would require unanimous lender consent. The Obligor under a Secured Senior Bond or a High Yield Bond may therefore be able to amend the terms of the bond, including terms as to the amount and timing of payments, with the consent of a specified majority of bondholders, either voting by written resolution or as a majority of those attending and voting at a meeting, and the Issuer is unlikely to have a blocking minority position in respect of any such resolution. The Issuer may further be restricted by the Collateral Management and Administration Agreement from voting on certain matters, particularly extensions of maturity, which may be considered at a bondholder meeting. Consequently, material terms of a Secured Senior Bond or High Yield Bond may be varied without the consent of the Issuer.

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

The majority of Senior Loans and Mezzanine Obligations bear interest based on a floating rate index, for example EURIBOR, a certificate of deposit rate, a prime or base rate (each as defined in the applicable loan agreement) or other index, which may reset daily (as most prime or base rate indices do) or offer the borrower a choice of one, two, three, six, nine or twelve month interest and rate reset periods. The purchaser of an interest in a Secured Senior Loan, Second Lien Loan or Mezzanine Obligation may receive certain syndication or participation fees in connection with its purchase. Other fees payable in respect of a Secured Senior Loan, Second Lien Loan or Mezzanine Obligation, which are separate from interest payments on such loan, may include facility, commitment, amendment and prepayment fees.

Secured Senior Loans, Secured Senior Bonds, High Yield Bonds and Mezzanine Obligations also generally provide for restrictive covenants designed to limit the activities of the Obligors thereunder in an effort to protect the rights of lenders to receive timely payments of interest on, and repayment of, principal of the loans. Such covenants may include restrictions on dividend payments, specific mandatory minimum financial ratios, limits on total debt and other financial tests. A breach of covenant (after giving effect to any cure period) under a Secured Senior Loan, Mezzanine Obligation that is a loan or Unsecured Senior Loan which is not waived by the lending syndicate normally is an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. A breach of covenant (after giving effect to any cure period) under a Secured Senior Bond, a High Yield Bond or a Mezzanine Obligation that is a bond which is not waived by the requisite majority of the holders thereof is normally an event of default which may trigger the acceleration of the bonds. Although any particular Senior Loan, Secured Senior Bond, Mezzanine Obligation or High Yield Bond may share many similar features with other loans and obligations of its type, the actual term of any Senior Loan, Secured Senior Bond, Mezzanine Obligation or High Yield Bond will have been a matter of negotiation and will be unique. Any such particular loan may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees.

Limited Liquidity, Prepayment and Default Risk in relation to Secured Senior Loans, Mezzanine Obligations, Secured Senior Bonds, High Yield Bonds and Unsecured Senior Loans

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

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

Increased Risks for Mezzanine Obligations

The fact that Mezzanine Obligations are generally subordinated to any senior loan and potentially other indebtedness of the relevant Obligor thereunder, may have a longer maturity than such other indebtedness and will generally only have a second ranking security interest over any security granted in respect thereof, increases the risk of non-payment thereunder of such Mezzanine Obligations in an enforcement situation.

Mezzanine Obligations may provide that all or part of the interest accruing thereon will not be paid on a current basis but will be deferred. Mezzanine Obligations also generally involve greater credit and liquidity risks than those associated with investment grade corporate obligations and Secured Senior Loans. They are often entered into in connection with leveraged acquisitions or recapitalisations in which the Obligors thereunder incur a substantially higher amount of indebtedness than the level at which they previously operated and, as referred to above, sit at a subordinated level in the capital structure of such companies.

Prepayment Risk

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par plus accrued and unpaid interest thereon. Secured Senior Bonds and High Yield Bonds may include obligor call or prepayment features, with or without a premium or make whole. Prepayments on loans and bonds may be caused by a variety of factors, which are difficult to predict. Accordingly, there exists a risk that loans or bonds purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, Principal Proceeds received upon such a prepayment are subject to reinvestment risk. Any inability of the Issuer to reinvest payments or other proceeds in Collateral Obligations with comparable interest rates in compliance with the Reinvestment Criteria may adversely affect the timing and amount of payments and distributions received by the Noteholders and the yield to maturity of the Notes. There can be no assurance that the Issuer will be able to reinvest proceeds in Collateral Obligations with comparable interest rates in compliance with the Reinvestment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

Credit Risk

Risks applicable to Collateral Obligations also include the possibility that earnings of the Obligor may be insufficient to meet its debt service obligations thereunder and the declining creditworthiness and potential for insolvency of the Obligor of such Collateral Obligation 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.

Defaults and Recoveries

There is limited historical data available as to the levels of defaults and/or recoveries that may be experienced on Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Second Lien Loans, Unsecured Senior Loans and High Yield Bonds and no assurance can be given as to the levels of default and/or recoveries that may apply to any such Collateral Obligations purchased by the Issuer. As referred to above, although any particular Secured Senior Loan, Secured Senior Bond, Mezzanine Obligation, Second Lien Loan, Unsecured Senior Loan or High Yield Bond often will share many similar features with other loans and obligations of its type, the actual terms of any particular Secured Senior Loan, Secured Senior Bond, Mezzanine Obligation, Second Lien Loan, Unsecured Senior Loan or High Yield Bond will have been a matter of negotiation and will thus be unique. The types of protection afforded to creditors will therefore vary from investment to investment. Recoveries on any particular Secured Senior Loan, Secured Senior Bond, Mezzanine Obligation, Second Lien Loan, Unsecured Senior Loan and High Yield Bond may also be affected by the different bankruptcy regimes applicable in different jurisdictions, the availability of comprehensive security packages in different jurisdictions and the enforceability of claims against the Obligors thereunder.

The effect of an economic downturn on default rates and the ability of finance providers to protect their investment in a default situation is uncertain. Furthermore, the holders of Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Second Lien Loans, Unsecured Senior Loans and High Yield Bonds are more diverse than ever before, including not only banks and specialist finance providers but also alternative investment managers, specialist debt and distressed debt investors and other financial institutions. The increasing diversification of the investor base has also been accompanied by an increase in the use of hedges, swaps and other derivative instruments to protect against or spread the economic risk of defaults. All of these developments may further increase the risk that historic recovery levels will not be realised. The returns on Secured Senior Loans, Secured Senior Bonds, Mezzanine Obligations, Second Lien Loans, Unsecured Senior Loans and/or High Yield Bonds therefore may not adequately reflect the risk of future defaults and the ultimate recovery rates.

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial change in the interest rate, a substantial write-down of principal, a conversion of some or all of the principal debt into equity, and a substantial change in the terms, conditions and covenants with respect to such Defaulted Obligation. Junior creditors may find that a restructuring leads to the total eradication of their debt whilst the borrower continues to service more senior tranches of debt on improved terms for the senior lenders. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in uncertainty with respect to the ultimate recovery on such Defaulted Obligation. Forum shopping for a favourable legal regime for a restructuring is not uncommon, English law schemes of arrangement having become a popular tool for European incorporated companies, even for borrowers with little connection to the UK. 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. The liquidity for Defaulted Obligations may be limited, and to the extent that Defaulted Obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any Defaulted Obligation will be at least equal either to the minimum recovery rate assumed by the Rating Agencies in rating the Notes or any recovery rate used in the analysis of the Notes by investors in determining whether to purchase the Notes.

In some European jurisdictions, obligors or lenders may seek a "scheme of arrangement". In such instance, a lender may be forced by a court to accept restructuring terms. Recoveries on Senior Loans, Secured Senior Bonds, Secured Senior Bonds, Mezzanine Obligations, Second Lien Loans, Unsecured Senior Loans and High Yield Bonds will also be affected by the different bankruptcy regimes applicable in different European

jurisdictions and the enforceability of claims against the Obligors thereunder. See 3.20 (*Insolvency Considerations relating to Collateral Obligations*) below.

Investing in Cov-Lite Loans involves certain risks

The Issuer or the Collateral Manager acting on its behalf may purchase Collateral Obligations which are Cov-Lite Loans. The Portfolio Profile Tests provide that not more than 25 per cent. of the Collateral Principal Amount can consist of Cov-Lite Loans. Cov-Lite Loans typically do not have maintenance covenants. Ownership of Cov-Lite Loans may expose the Issuer to different 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 makes it more likely that any default will only arise under a Cov-Lite Loan at a stage where the relevant Obligor is in a greater degree of financial stress. Such a delay may make a successful restructuring more difficult to achieve and/or result in a greater reduction in the value of the Cov-Lite Loans as a consequence of any restructuring effected in such circumstances.

Characteristics of High Yield Bonds

High Yield Bonds are generally unsecured, may be subordinated to other obligations of the applicable obligor and generally involve greater credit and liquidity risks than those associated with investment grade corporate obligations. They are often issued in connection with leveraged acquisitions or recapitalisations in which the obligors thereunder incur a substantially higher amount of indebtedness than the level at which they previously operated.

High Yield Bonds have historically experienced greater default rates than investment grade securities. Although several studies have been made of historical default rates in the U.S. high yield market, such studies do not necessarily provide a basis for drawing definitive conclusions with respect to default rates and, in any event, do not necessarily provide a basis for predicting future default rates in either the European or the U.S. high yield markets which may exceed the hypothetical default rates assumed by investors in determining whether to purchase the Notes or by the Rating Agencies in rating the Notes.

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

European High Yield Bonds are generally subordinated structurally, as opposed to contractually, to senior secured debtholders. Structural subordination is when a high yield security investor lends to a holding company whose primary asset is ownership of a cash□generating operating company or companies. The debt investment of the high yield investor is serviced by passing the revenues and tangible assets from the operating companies upstream through the holding company (which typically has no revenue□generating capacity of its own) to the security holders. In the absence of upstream guarantees from operating or asset owning companies in the group, such a process leaves the High Yield Bond investors deeply subordinated to secured and unsecured creditors of the operating companies and means that investors therein will not necessarily have access to the same security package as the senior lenders (even on a second priority charge basis) or be able to participate directly in insolvency proceedings or pre-insolvency discussions relating to the operating companies within the group. This facet of the European high yield market differs from the U.S. high yield market, where structural subordination is markedly less prevalent.

In the case of High Yield Bonds issued by issuers with their principal place of business in Europe, structural subordination of High Yield Bonds, coupled with the relatively shallow depth of the European high yield market, leads European high yield defaults to realise lower average recoveries than their U.S. counterparts. Another factor affecting recovery rates for European high yield bonds is the bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the high yield bond issuer. See 3.20 (*Insolvency Considerations relating to Collateral Obligations*) below. It must be noted, however, that the overall probability of default (based on credit rating) remains similar for both U.S. and European credits; it is

the severity of the effect of any default that differs between the two markets as a result of the aforementioned factors.

In addition to the characteristics described above, high yield securities frequently have call or redemption features that permit the issuer to redeem such obligations prior to their final maturity date. If such a call or redemption were exercised by an issuer during a period of declining interest rates, the Collateral Manager, acting on behalf of the Issuer, may only be able to replace such called obligation with a lower yielding obligation, thus decreasing the net investment income from the Portfolio.

Investing in Second Lien Loans involves certain risks

The Collateral Obligations may include Second Lien Loans, each of which will be secured by a collateral, but which is subordinated (with respect to liquidation preferences with respect to pledged collateral) to other secured obligations of the Obligors secured by all or a portion of the collateral securing such secured loan. Second Lien Loans are typically subject to intercreditor arrangements, the provisions of which may prohibit or restrict the ability of the holder of a Second Lien Loan to (i) exercise remedies against the collateral with respect to their second liens; (ii) challenge any exercise of remedies against the collateral by the first lien lenders with respect to their first liens; (iii) challenge the enforceability or priority of the first liens on the collateral; and (iv) exercise certain other secured creditor rights, both before and during a bankruptcy of the borrower. In addition, during a bankruptcy of the Obligor, the holder of a Second Lien Loan may be required to give advance consent to (a) any use of cash collateral approved by the first lien creditors; (b) sales of collateral approved by the first lien lenders and the bankruptcy court, so long as the second liens continue to attach to the sale proceeds; and (c) "debtor-in-possession" financings.

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

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

Investing in Unsecured Senior Loans involves certain risks

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

3.7 Limited Control of Administration and Amendment of Collateral Obligations

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

The Collateral Manager may, in accordance with its collateral management practices and subject to the Trust Deed and the Collateral Management and Administration Agreement, agree on behalf of the Issuer to extend or defer the maturity, or adjust the outstanding balance of any underlying asset, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. Any amendment,

waiver or modification of an underlying asset could postpone the expected maturity of the Notes and/or reduce the likelihood of timely and complete payment of interest on or principal of the Notes.

3.8 Participations, Novations and Assignments

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

The purchaser of an Assignment typically succeeds to all the rights of the assigning Selling Institution and becomes entitled to the benefit of the loans and the other rights of the lender under the loan agreement. The Issuer, as an assignee, will generally have the right to receive directly from the borrower all payments of principal and interest to which it is entitled, provided that notice of such Assignment has been given to the borrower. As a purchaser of an Assignment, the Issuer typically will have the same voting rights as other lenders under the applicable loan agreement and will have the right to vote to waive enforcement of breaches of covenants. The Issuer will generally also have the same rights as other lenders to enforce compliance by the borrower with the terms of the loan agreement, to set off claims against the borrower and to have recourse to collateral supporting the loan. As a result, the Issuer will generally not bear the credit risk of the Selling Institution and the insolvency of the Selling Institution should have no effect on the ability of the Issuer to continue to receive payment of principal or interest from the borrower. The Issuer will, however, assume the credit risk of the borrower. The purchaser of an Assignment also typically succeeds to and becomes entitled to the benefit of any other rights of the Selling Institution in respect of the loan agreement including the right to the benefit of any security granted in respect of the loan interest transferred. The loan agreement usually contains mechanisms for the transfer of the benefit of the loan and the security relating thereto. The efficacy of these mechanisms is rarely tested, if ever, and there is debate amongst counsel in continental jurisdictions over their effectiveness. With regard to some of the loan agreements, security will have been granted over assets in different jurisdictions. Some of the jurisdictions will require registrations, filings and/or other formalities to be carried out not only in relation to the transfer of the loan but, depending on the mechanism for transfer, also with respect to the transfer of the benefit of the security.

Participations by the Issuer in a Selling Institution's portion of the loan typically results in a contractual relationship only with such Selling Institution and not with the borrower under such loan. The Issuer would, in such case, only be entitled to receive payments of principal and interest to the extent that the Selling Institution has received such payments from the borrower. In purchasing Participations, the Issuer generally will have no right to enforce compliance by the borrower with the terms of the applicable loan agreement and the Issuer may not directly benefit from the collateral supporting the loan in respect of which it has purchased a Participation. As a result, the Issuer will assume the credit risk of both the borrower and the Selling Institution selling the Participation. In the event of the insolvency of the Selling Institution selling a Participation, the Issuer may be treated as a general creditor of the Selling Institution and may not benefit from any set off between the Selling Institution and the borrower and the Issuer may suffer a loss to the extent that the borrower sets off claims against the Selling Institution. The Issuer may purchase a Participation from a Selling Institution that does not itself retain any economic interest of the loan, and therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. When the Issuer holds a Participation in a loan it generally will not have the right to participate directly in any vote to waive enforcement of any covenants breached by a borrower. A Selling Institution voting in connection with a potential waiver of a restrictive covenant may have interests which are different from those of the Issuer and such Selling Institutions may not be required to consider the interest of the Issuer in connection with the exercise of its votes.

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

3.9 Voting Restrictions on Syndicated Loans for Minority Noteholders

The Issuer will generally purchase each underlying asset in the form of an assignment of, or participation interest in, a note or other obligation issued under a loan facility to which more than one lender is a party. These loan facilities are administered for the lenders by a lender or other agent acting as the lead administrator. The terms and conditions of these loan facilities may be amended, modified or waived only by the agreement of the

lenders. Generally, any such agreement requires the consent of a majority or a super-majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders, and the Issuer may have a minority interest in such loan facilities. Consequently, the terms and conditions of an underlying asset issued or sold in connection with a loan facility could be modified, amended or waived in a manner contrary to the preferences of the Issuer if the amendment, modification or waiver of such term or condition does not require the unanimous vote of the lenders and a sufficient number of the other lenders concur with such modification, amendment or waiver. There can be no assurance that any Collateral Obligations issued or sold in connection with any loan facility will maintain the terms and conditions to which the Issuer or a predecessor in interest to the Issuer originally agreed.

3.10 **Corporate Rescue Loans**

Corporate Rescue Loans are made to companies that have experienced, or are experiencing, significant financial or business difficulties such that they have become subject to bankruptcy or other reorganisation and liquidation proceedings and thus involves additional risks. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Issuer will correctly evaluate the value of the assets securing the Corporate Rescue Loan or the prospects for a successful reorganisation or similar action and accordingly the Issuer could suffer significant losses on its investments in such Corporate Rescue Loan. In any reorganisation or liquidation case relating to a company in which the Issuer invests, the Issuer may lose its entire investment, may be required to accept cash or securities with a value less than the Issuer's original investment and/or may be required to accept payment over an extended period of time.

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

Although a Corporate Rescue Loan is secured, where the Obligor is subject to U.S. bankruptcy law, it has a priority permitted by Section 364(c) or section 364(d) under the United States Bankruptcy Code and at the time that it is acquired by the Issuer is required to be current with respect to scheduled payments of interest and principal (if any). This will not typically be the case for European Obligors.

3.11 **Bridge Loans**

The Portfolio Profile Tests provide that not more than 3 per cent. of the Collateral Principal Amount may be comprised of Bridge Loans. Bridge Loans are generally a temporary financing instrument and as such the interest rate may increase after a short period of time in order to encourage an Obligor to refinance the Bridge Loan with more long-term financing. If an Obligor is unable to refinance a Bridge Loan, the interest rate may be subject to an increase and as such Bridge Loans may have greater credit and liquidity risk than other types of loans.

3.12 **Collateral Enhancement Obligations**

All funds required in respect of the purchase price of any Collateral Enhancement Obligations and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the Balance standing to the credit of the Supplemental Reserve Account at the relevant time. Such Balance shall be comprised of (i) all sums deposited therein from time to time which will comprise interest payable in respect of the Subordinated Notes which the Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payments rather than being paid to the Subordinated Noteholders and (ii) the amount of any Reinvestment Amounts contributed by a Reinvesting Noteholder and deposited into the Supplemental Reserve Account during the Reinvestment Period in accordance with the Conditions and the Trust Deed.

The Collateral Manager is under no obligation whatsoever to exercise its discretion (acting on behalf of the Issuer) to take any of the actions described above and there can be no assurance that the Balance standing to the credit of the Supplemental Reserve Account will be sufficient to fund the exercise of any right or option under any Collateral Enhancement Obligation at any time. The ability of the Collateral Manager (acting on behalf of the Issuer) to exercise any rights or options under any Collateral Enhancement Obligation will be dependent upon there being sufficient amounts standing to the credit of the Supplemental Reserve Account to pay the costs

of any such exercise. Failure to exercise any such right or option may result in a reduction of the returns to the Subordinated Noteholders (and, potentially, Noteholders of other Classes).

Collateral Enhancement Obligations and any income or return generated thereby are not taken into account for the purposes of determining satisfaction of, or required to satisfy, any of the Coverage Tests, Portfolio Profile Tests, Reinvestment Overcollateralisation Test or Collateral Quality Tests.

3.13 Counterparty Risk

Participations and Hedge Transactions involve the Issuer entering into contracts with counterparties. Pursuant to such contracts, the counterparties agree to make payments to the Issuer under certain circumstances as described therein. The Issuer will be exposed to the credit risk of the counterparty with respect of any such payments. Each such counterparty is required to satisfy the applicable Rating Requirement, upon entry into the applicable contract or instrument.

If a Hedge Counterparty is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, there will be a termination event under the applicable Hedge Agreement unless, within the applicable remedy period following such rating withdrawal or downgrade, such Hedge Counterparty either transfers its obligations under the applicable Hedge Agreement to a replacement counterparty with the requisite ratings, obtains a guarantee of its obligations by a guarantor with the requisite ratings, collateralises its obligations in a manner satisfactory to the Rating Agencies or employs some other such strategy as may be approved by the Rating Agencies. There can be no assurance that the applicable Hedge Counterparty will be able to transfer its obligations to a suitable replacement counterparty or exercise any of the other aforementioned remedies within the specified remedy period. Failure to do so may result in interest rate or currency mismatches, which could adversely affect the ability to make payments on the Notes as the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure or currency risk exposure in respect of Non-Euro Obligations for so long as the Issuer has not entered into a Replacement Hedge Transaction. For further information, see "*Hedging Arrangements*" below.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all Collateral of the Issuer held by the Custodian. If the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the Issuer shall (at the expense of the Account Bank or Custodian, as the case may be) use its reasonable endeavours to procure the appointment of a replacement Account Bank or Custodian, as the case may be, with the applicable Rating Requirement and which is acceptable to the Trustee within 30 days of such withdrawal or downgrade.

3.14 Concentration Risk

The Issuer will invest in a Portfolio of Collateral Obligations consisting of Secured Senior Loans, Secured Senior Bonds, Corporate Rescue Loans, Unsecured Senior Loans, Mezzanine Obligations and High Yield Bonds. Although no significant concentration with respect to any particular Obligor, industry or country is expected to exist at the Effective Date, the concentration of the Portfolio in any one Obligor would subject the Notes to a greater degree of risk with respect to defaults by such Obligor, and the concentration of the Portfolio in any one industry would subject the Notes to a greater degree of risk with respect to economic downturns relating to such industry. The Portfolio Profile Tests and Collateral Quality Tests attempt to mitigate any concentration risk in the Portfolio. See "*The Portfolio — Portfolio Profile Tests and Collateral Quality Tests*".

3.15 Credit Risk

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

3.16 Interest Rate Risk

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

In addition, any payments of principal or interest received in respect of Collateral Obligations and not otherwise reinvested during the Reinvestment Period in Substitute Collateral Obligations will generally be invested in Eligible Investments until shortly before the next Payment Date. There is no requirement that such Eligible Investments bear interest on a particular basis, and the interest rates available for such Eligible Investments are inherently uncertain. As a result of these factors, it is expected that there will be a fixed/floating rate mismatch and/or a floating rate basis mismatch between the Notes and the underlying Collateral Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Obligations and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of EURIBOR could adversely affect the ability to make payments on the Notes. In addition, pursuant to the Collateral Management and Administration Agreement, the Collateral Manager, acting on behalf of the Issuer, is authorised to enter into the Hedge Transactions in order to mitigate such interest rate mismatch from time to time, subject to receipt in each case of Rating Agency Confirmation in respect thereof (other than in the case of a Form Approved Hedge) and subject to certain regulatory considerations in relation to swaps, discussed in 1.14 (*Commodity Pool Regulation*) above. However, the Issuer will depend on each Hedge Counterparty to perform its obligations under any Hedge Transaction to which it is a party and if any Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure.

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

In the case of the Notes which will bear interest at a rate based on EURIBOR for the period from one Payment Date (or, in the case of the first Payment Date, the Issue Date) to the next Payment Date (the "**Floating Rate Notes**"), there may be a timing mismatch between the Floating Rate Notes and the Floating Rate Collateral Obligations as the interest rate on such Floating Rate Collateral Obligations may adjust more frequently or less frequently, on different dates and based on different indices as compared to the interest rates on the Floating Rate Notes. As a result of such mismatches, an increase in the level of EURIBOR could adversely impact the ability of the Issuer to make payments on the Floating Rate Notes.

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

3.17 Currency Risk and Currency Hedge Transactions

Although the Issuer intends to hedge against certain currency exposures pursuant to Currency Hedge Transactions, fluctuations in the Euro exchange rate for currencies in which Non-Euro Obligations are denominated may lead to the proceeds of the Portfolio being insufficient to pay all amounts due to the respective Classes of Noteholders or may result in a decrease in value of the Portfolio for the purposes of sale hereof upon enforcement of the security over it.

The Issuer's ongoing payment obligations under such Currency Hedge Transactions (including termination payments) may be significant. The payments associated with such hedging arrangements generally rank senior to payments on the Notes.

Defaults, prepayments, trading and other events increase the risk of a mismatch between the Non-Euro Obligations and the Notes. This may cause losses. In addition, the Collateral Manager may be limited at the time of reinvestment in its choice of Collateral Obligations because of the cost of such hedging and due to restrictions in the Collateral Management and Administration Agreement with respect to such hedging.

The Issuer will depend upon the Currency Hedge Counterparty to perform its obligations under any hedges. If the Currency Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from the Currency Hedge Counterparty to cover its foreign exchange exposure. See 3.13 (*Counterparty Risk*) above.

3.18 Reinvestment Risk/Uninvested Cash Balances

To the extent the Collateral Manager maintains cash balances invested in short-term investments instead of higher yielding loans or bonds, portfolio income will be reduced which will result in reduced amounts available for payment on the Notes. In general, the larger the amount and the longer the time period during which cash balances remain uninvested the greater the adverse impact on portfolio income which will reduce amounts available for payment on the Notes, especially the Subordinated Notes. The extent to which cash balances remain uninvested will be subject to a variety of factors, including future market conditions and is difficult to predict.

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

The timing of the initial investment of the net proceeds of issue of the Notes remaining after the payment of certain fees and expenses due and payable by the Issuer on the Issue Date and reinvestment of Sale Proceeds, Scheduled Principal Proceeds and Unscheduled Principal Proceeds, can affect the return to holders of, and cash flows available to make payments on, the Notes, especially the most junior Class or Classes of Notes. Loans and privately placed high yield securities are not as easily (or as quickly) purchased or sold as publicly traded securities for a variety of reasons, including confidentiality requirements with respect to Obligor information, the customised nature of loan agreements and private syndication. The reduced liquidity and lower volume of trading in loans, in addition to restrictions on investment represented by the Reinvestment Criteria, could result in periods of time during which the Issuer is not able to fully invest its cash in Collateral Obligations. The longer the period between reinvestment of cash in Collateral Obligations, the greater the adverse impact may be on the aggregate amount of the Interest Proceeds collected and distributed by the Issuer, including on the Notes, especially the most junior Class or Classes of Notes, thereby resulting in lower yields than could have been obtained if Principal Proceeds were immediately reinvested. In addition, loans are often prepayable by the borrowers thereof with no, or limited, penalty or premium. As a result, loans generally prepay more frequently than other corporate debt obligations of the issuers thereof. Senior loans usually have shorter terms than more junior obligations and often require mandatory repayments from excess cash flow, asset dispositions and offerings of debt and/or equity securities. The increased levels of prepayments and amortisation of loans increase the associated reinvestment risk on the Collateral Obligations which risk will first be borne by Subordinated Noteholders and then by holders of the Rated Notes, beginning with the most junior Class.

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

3.19 Ratings on Collateral Obligations

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

There can be no assurance that rating agencies will continue to assign such ratings utilising the same methods and standards utilised today despite the fact that such Collateral Obligation might still be performing fully to the specifications set forth in its Underlying Instrument. Any change in such methods and standards could result in a significant rise in the number of CCC Obligations and Caa 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*).

3.20 Insolvency Considerations relating to Collateral Obligations

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

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

3.21 Lender Liability Considerations; Equitable Subordination

In recent years, a number of judicial decisions in the United States and other jurisdictions have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (collectively, termed "**lender liability**"). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. Although it would be a novel application of the lender liability theories, the Issuer may be subject to allegations of lender liability. However, the Issuer does not intend to engage in, and the Collateral Manager does not intend to advise the Issuer with respect to any, conduct that would form the basis for a successful cause of action based upon lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the under capitalisation of a borrower to the

detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "**equitable subordination**". Because of the nature of the Collateral Obligations, the Issuer may be subject to claims from creditors of an Obligor that Collateral Obligations issued by such Obligor that are held by the Issuer should be equitably subordinated. However, the Issuer does not intend to engage in, and the Collateral Manager does not intend to advise the Issuer with respect to, any conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine.

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

3.22 Loan Repricing

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

3.23 Changes in Tax Law; No Gross Up; General

At the time when they are acquired by the Issuer, Eligibility Criteria require that payments of interest on the Collateral Obligations either will not be reduced by any withholding tax imposed by any jurisdiction or, if and to the extent that any such withholding tax does apply, either such withholding tax can be sheltered by application being made under a double tax treaty or the relevant Obligor will be obliged to make gross up payments to the Issuer that cover the full amount of such withholding tax. However, there can be no assurance that, as a result of any change in any applicable law, rule, regulation or interpretation thereof, the payments on the Collateral Obligations (including payments by Selling Institutions in the case of Participations) might not in the future become subject to withholding tax or increased withholding rates in respect of which the relevant Obligor (or, in the case of Participations, the Selling Institutions) will not be obliged to gross up to the Issuer. In such circumstances, the Issuer may be able, but will not be obliged, to take advantage of (a) a double taxation treaty between Ireland and the jurisdiction from which the relevant payment is made, (b) the current applicable law in the jurisdiction of the Obligor or (c) the fact that the Issuer has taken a Participation in such Collateral Obligations from a Selling Institution which is able to pay interest payable under such Participation gross. In the event that the Issuer receives any interest payments on any Collateral Obligation net of any applicable withholding tax, the Coverage Tests and Collateral Quality Tests will be determined by reference to such net receipts. Such tax (if no corresponding gross up payment is received) would also reduce the amounts available to make payments on the Notes. There can be no assurance that remaining payments on the Collateral Obligations would be sufficient to make timely payments of interest, principal on the Maturity Date and other amounts payable in respect of the Notes of each Class. If payments in respect of Collateral Obligations to the Issuer become subject to withholding tax, this may also trigger a Collateral Tax Event and result in an optional redemption of the Rated Notes in accordance with Condition 7(b)(i)(B) (*Optional Redemption in Whole—Subordinated Noteholders/Collateral Manager*).

3.24 **Collateral Manager**

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

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

The Issuer is a newly formed entity and has no operating history or performance record of its own. The actual performance of the Issuer will depend on numerous factors which are difficult to predict and may be beyond the control of the Collateral Manager. The nature of, and risks associated with, the Issuer's future investments may differ substantially from those investments and strategies undertaken historically by the Collateral Manager and such persons. There can be no assurance that the Issuer's investments will perform as well as the past investments of any such persons or entities.

The performance of other collateralised debt obligation vehicles ("**CLO Vehicles**") or other similar investment funds ("**Other Funds**") managed or advised by the Collateral Manager or Affiliates of the Collateral Manager should not be relied upon as an indication or prediction of the performance of the Issuer. Such other CLO Vehicles and Other Funds may have significantly different characteristics, including but not limited to their structures, composition of the collateral pool, investment objectives, leverage, financing costs, fees and expenses, management personnel and other terms when compared to the Issuer and may have been formed and managed under significantly different market conditions than those which apply to the Issuer and its Portfolio.

Under the terms of the Collateral Management and Administration Agreement, while Spire Partners LLP is the Collateral Manager, in the event that any two of Jonathan Russell, Oliver Drummond Smith or Philip Bennett-Britton (including for the avoidance of doubt, any replacement for such Key Persons replaced pursuant to paragraph (b) below, each a "**Key Person**" and together the "**Key Persons**") cease to spend substantial time involved in the managerial activities of the Collateral Manager relevant to the Issuer under the Collateral Management and Administration Agreement (including being a member of the investment committee of the Collateral Manager) (the "**Key Person Trigger**"): (a) the holders of the Subordinated Notes may by Ordinary Resolution instruct the Issuer in writing to suspend the ability of the Collateral Manager under the Collateral Management and Administration Agreement to (i) dispose of Collateral Obligations (other than Credit Improved Obligations, Credit Risk Obligations, Defaulted Obligations, Equity Securities or Exchanged Equity Securities, each of which may continue to be disposed of by the Collateral Manager (acting on behalf of the Issuer) in accordance with the terms of the Collateral Management and Administration Agreement) and (ii) acquire Substitute Collateral Obligations, in each case, until a replacement Key Person is appointed in accordance with paragraph (b) below; and (b) the Collateral Manager may replace such Key Person(s) by either (i) an existing professional staff member or officer of the Collateral Manager or any of its Affiliates as a replacement for such Key Person or (ii) a suitably qualified professional who has been hired with broadly comparable experience of

the Key Person so ceasing to spend substantial time involved in the managerial activities of the Collateral Manager, in each case, provided such replacement has been approved by the holders of the Subordinated Notes acting by Ordinary Resolution within 30 Business Days (or such longer period as may be agreed to by the Subordinated Noteholders acting by Ordinary Resolution) of the occurrence of the Key Person Trigger. The failure of the Collateral Manager to so replace a Key Person in accordance with paragraph (b) above, on and following the occurrence of the Key Person Trigger, will constitute a "**Key Person Event**".

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

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

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

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

3.25 No Initial Purchaser Role Post-Closing

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

3.26 Acquisition and Disposition of Collateral Obligations

The estimated net proceeds of the issue of the Notes after payment of fees and expenses payable on or about the Issue Date (including, without duplication amounts deposited into the Expense Reserve Account) will be used by the Issuer for the repayment of any amounts borrowed by the Issuer under the Warehouse Arrangements (together with any interest thereon) and all other amounts due in order to finance the acquisition of warehoused Collateral Obligations purchased by the Issuer prior to the Issue Date and to fund the First Period Reserve Account. The remaining proceeds shall be retained in the Unused Proceeds Account and used to purchase (or enter into agreements to purchase) additional Collateral Obligations during the Initial Investment Period. The Collateral Manager's decisions concerning purchases of Collateral Obligations will be influenced by a number of factors, including market conditions and the availability of securities and loans satisfying the Eligibility Criteria, Reinvestment Criteria and the other requirements of the Collateral Management and Administration Agreement. The failure or inability of the Collateral Manager to acquire Collateral Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Obligations in a timely manner will adversely affect the returns on the Notes, in particular with respect to the most junior Class or Classes.

Under the Collateral Management and Administration Agreement and as described herein, the Collateral Manager may only, on behalf of the Issuer, dispose of a limited percentage of Collateral Obligations in any successive rolling 12-month period as well as any Exchanged Equity Security and, subject to the satisfaction of certain conditions, a Defaulted Obligation, a Credit Risk Obligation or a Credit Improved Obligation. Notwithstanding such restrictions and subject to the satisfaction of the conditions set forth in the Collateral Management and Administration Agreement, sales and purchases by the Collateral Manager of Collateral Obligations could result in losses by the Issuer, which will be borne in the first instance by the Subordinated Noteholders and then by holders of the Rated Notes, beginning with the most junior Class.

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

3.27 Regulatory Risk

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

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

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

3.28 Valuation Information; Limited Information

None of the Initial Purchaser, the Collateral Manager, the Trustee, the Collateral Administrator or any other transaction party will be required to provide periodic pricing or valuation information to investors. Investors will receive limited information with regard to the Collateral Obligations and none of the transaction parties (including the Issuer, the Trustee, the Collateral Administrator or the Collateral Manager) will be required to provide any information other than what is required in the Trust Deed, the Agency Agreement or the Collateral Management and Administration Agreement. Furthermore, if any information is provided to the Noteholders (including required reports under the Trust Deed), such information may not be audited. Finally, the Collateral Manager may be in possession of material, non-public information with regard to the Collateral Obligations and will not be required to disclose such information to the Noteholders.

4. CERTAIN CONFLICTS OF INTEREST

The Initial Purchaser and its Affiliates and the Collateral Manager and its Affiliates, are acting in a number of capacities in connection with the transaction described herein, which may give rise to certain conflicts of interest. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

Collateral Manager

Various potential and actual conflicts of interest may arise from the overall investment and other activities of the Collateral Manager or a Collateral Manager Related Person, from their investing for their own accounts or for the accounts of others and from the Collateral Manager participating in the structuring of the transaction and from it acting as a Warehouse Provider.

The Collateral Manager and its Affiliates may at certain times seek to purchase or sell investments from or to the Issuer as principal. The Collateral Manager, at its option and sole discretion, may effect principal transactions between such entities. The Collateral Manager may (on behalf of the Issuer), subject to compliance with applicable laws and regulations and subject to the terms of the Collateral Management and Administration Agreement, acquire a Collateral Obligation from, or sell a Collateral Obligation, Equity Security or Eligible Investment to, the Collateral Manager, any of its Affiliates or any account or portfolio for which the Collateral Manager or any of its Affiliates serve as investment advisor for fair market value (an "**Affiliate Transaction**"). At the written request of the Collateral Manager, the Issuer shall establish a conflicts review board or appoint an independent third party to act on behalf of the Issuer (such board or party, an "**Independent Review Party**") with respect to Affiliate Transactions. Decisions of any Independent Review Party shall be binding on the Collateral Manager, the Issuer and the Noteholders. Any Independent Review Party (a) shall either: (i) be the Issuer's Board of Directors; (ii) be an established financial institution or other financial company with experience in assessing the merits of transactions similar to the Affiliate Transactions; or (iii) be a review board comprised of one or more individuals selected by the Issuer (or at the request of the Issuer, selected by the Collateral Manager); (b) shall be required to assess the merits of the Affiliate Transaction and either grant or withhold consent to such transaction in its sole judgement; and (c) shall not be: (i) affiliated with the Collateral Manager (other than as a Noteholder or as a passive investor in the Issuer or an Affiliate of the Issuer); or (ii) (other than the Issuer's Board of Directors) involved in the daily management and control of the Issuer.

The Issuer (i) shall be responsible for any reasonable fees relating to the services provided by any Independent Review Party and shall reimburse members of any Independent Review Party for their out-of-pocket expenses and (ii) may indemnify members of such Independent Review Party to the maximum extent permitted by law, subject to terms and conditions satisfactory to the Collateral Manager.

The Collateral Manager or a Collateral Manager Related Person may invest in securities or obligations that would be appropriate as Collateral Obligations and may be buyers or sellers of credit protection that reference Collateral Obligations owned by the Issuer. The Collateral Manager or Collateral Manager Related Persons also either currently serve as or expect to serve as collateral manager or investment advisor for, act as a general partner to, or invest in or are or expect to be affiliated with other entities which invest in, underwrite or originate high yield bonds and loans, including those organised to issue collateral debt obligations similar to those issued by the Issuer. In providing services to other clients, the Collateral Manager or Collateral Manager Related Persons may recommend activities that would compete with or otherwise adversely affect the Issuer. In the course of managing the Collateral Obligations held by the Issuer, the Collateral Manager may consider its relationships with other clients (including companies the securities of which are pledged to secure the Notes) and Collateral Manager Related Persons and its own interests as a Warehouse Provider to the Issuer in the period prior to the Issue Date. The Collateral Manager may decline to make a particular investment for the Issuer in view of such relationships. The Collateral Manager or Collateral Manager Related Persons may make investment decisions for its clients and Collateral Manager Related Persons that may be different from those made by such persons on behalf of the Issuer, even where the investment objectives are the same or similar to those of the Issuer. The Collateral Manager or Collateral Manager Related Persons may at certain times be simultaneously seeking to purchase or sell the same or similar investments for the Issuer and another client for which the Collateral Manager or any of them serves as investment adviser or collateral manager, or for themselves. Likewise, the Collateral Manager may on behalf of the Issuer make an investment in an issuer or obligor in which another account, client, the Collateral Manager or a Collateral Manager Related Person is already invested or has co-invested. The Collateral Manager or a Collateral Manager Related Person may purchase Notes, creating potential conflicts of interest between the Collateral Manager and/or a Collateral Manager Related Person that holds Notes, on the one hand, and other investors in Notes, on the other hand. The Collateral Manager may, in its discretion, give priority over the Issuer in the allocation of investment opportunities to certain accounts or clients designated by the Collateral Manager in its discretion and to other accounts or clients of the Collateral Manager or Collateral Manager Related Persons to the extent obligated or permitted by the application of regulatory requirements, internal policies and client guidelines and/or principles of fiduciary duty. Neither the Collateral Manager nor any Collateral Manager Related Person has any obligation to obtain for the Issuer any particular investment opportunity, and the Collateral Manager may be precluded from offering to the Issuer particular securities in certain situations including, without limitation, where the Collateral Manager or Collateral Manager Related Persons may have a prior contractual commitment with other accounts or clients or as to which the Collateral Manager or a Collateral Manager Related Person possesses material, non public information, or may be limited in its ability to effect transactions for or on behalf of the Issuer. There is no assurance that the Issuer will hold the same investments or perform in a substantially similar manner as other funds with similar strategies under the management of the Collateral Manager. There is also a possibility that the Issuer will invest in opportunities declined by the Collateral Manager or Collateral Manager

Related Persons for the accounts of others or for their own accounts. In making investments on behalf of accounts or clients that the Collateral Manager or Collateral Manager Related Persons manage or advise either now or in the future, the Collateral Manager in its discretion may, but is not required to, aggregate orders for the Issuer with orders for such other accounts, notwithstanding that depending upon market conditions, aggregated orders can result in a higher or lower average price.

Although the Collateral Manager and certain of its officers and employees will devote such time and effort as may be reasonably required to enable the Collateral Manager to discharge its duties to the Issuer under the Collateral Management and Administration Agreement, they will not devote all of their working time to the affairs of the Issuer. As part of their regular business, the Collateral Manager, and the Collateral Manager Related Persons may hold, purchase, sell, trade or take other related actions both for their respective accounts and for the accounts of their respective clients, in a principal or agency basis, with respect to loans, securities and other investments and financial instruments of all types. No provision in the Collateral Management and Administration Agreement prevents the Collateral Manager or Collateral Manager Related Persons from rendering services of any kind to any person or entity, including the issuer of any obligation included in the Collateral Obligations and their respective Affiliates, the Trustee, the holders of the Notes and the Hedge Counterparties. Without limiting the generality of the foregoing, the Collateral Manager or Collateral Manager Related Persons and the directors, officers, employees and agents of the Collateral Manager and the Collateral Manager Related Persons may, among other things: (a) serve as directors, partners, officers, employees, agents, nominees or signatories for any issuer of any obligation included in the Collateral Obligations; (b) receive and retain fees for services rendered to the issuer of any obligation included in the Collateral Obligations or any Affiliate thereof; (c) be retained to provide services unrelated to the Collateral Management and Administration Agreement to the Issuer and be paid therefor; (d) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any obligation included in the Collateral Obligations; (e) sell or terminate any Collateral Obligations or Eligible Investments to, or purchase or enter into any Collateral Obligations from, the Issuer while acting in the capacity of principal or agent; (f) serve as a member of any "creditors' board" with respect to any obligation included in the Collateral Obligations which has become or may become a Defaulted Obligation; (g) underwrite, act as distributor of, or make a market in any Collateral Obligation, provided that with respect to such market, the Collateral Manager is not acting as agent for the Issuer; (h) provide investment advisory services to their clients; and (i) maintain other relationships with any issuer or obligor or Affiliate of any issuer or obligor of any obligations included in the Collateral. Services of this kind may lead to securities laws restrictions on transactions in such securities by the Issuer and otherwise create conflicts of interest for the Issuer and may lead individual officers or employees of the Collateral Manager to act in a manner adverse to the Issuer. In such instances, the Collateral Manager, or Collateral Manager Related Persons and their respective officers and employees may in their discretion make investment recommendations and effect investment decisions that may be the same as or different from those made with respect to the Issuer's investments. In connection with any such activities described above, the Collateral Manager and the Collateral Manager Related Persons and their respective officers and employees may hold, purchase, sell, trade or take other related actions in securities or investments of a type that may be suitable to be included as Collateral Obligations. The Collateral Manager and the Collateral Manager Related Persons and their respective officers and employees will not be required to offer such securities or investments to the Issuer or provide notice of such activities to the Issuer. The Collateral Manager is also entitled to retain fees and commissions in connection with work-out, restructuring, arrangement and underwriting fees.

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

The Collateral Manager or a Collateral Manager Related Person may also have ongoing relationships with the issuers of Collateral and they or their clients may own equity or other securities or obligations issued by issuers of Collateral. In addition, the Collateral Manager or a Collateral Manager Related Person either for its own accounts or for the accounts of others, may invest in securities or obligations that are senior to, junior to, or have interests different from or adverse to, the securities or obligations that are acquired on behalf of the Issuer.

The Collateral Manager shall act as Retention Holder and shall undertake to hold the Retention Notes. There is no restriction on the ability of the Collateral Manager or a Collateral Manager Related Person to acquire additional Notes of any Class at any time. It is possible that the Collateral Manager or one or more Collateral Manager Related Persons may, from time to time, acquire Notes in addition to the Retention Notes held by the Retention Holder. The interests and incentives of the Collateral Manager or a Collateral Manager Related Person that is a Noteholder may conflict with or be adverse to the interests and incentives of the holders of other Classes of Notes. In addition, if a Collateral Manager Related Person owns any Notes, the Collateral Manager or an Affiliate of the Collateral Manager, to the extent they act as investment adviser of the relevant Collateral Manager Related Person, will exercise the rights thereof as holder of such Notes in accordance with any duty of care to such Collateral Manager Related Person, which may conflict with or be adverse to the interests and incentives of other Noteholders. Such purchases of Notes, on the Issue Date or subsequently (as applicable), may create potential and/or actual conflicts of interest between the Collateral Manager and/or a Collateral Manager Related Person and other investors in the Notes. Resulting conflicts of interest could include (a) divergent economic interests between the Collateral Manager and/or a Collateral Manager Related Person, on the one hand, and other investors in the Notes, on the other hand, and (b) voting of Notes by the Collateral Manager and/or Collateral Manager Related Persons, 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.

Clients of the Collateral Manager or its Affiliates may act as counterparty with respect to Hedge Transactions and Participations or as party to or in connection with the investment of any funds in Eligible Investments.

The Collateral Manager and a Collateral Manager Related Person may also have ongoing relationships with, render services to or engage in transactions with, companies whose securities are pledged to secure the Notes and may own equity or debt securities issued by issuers of and other Obligors on Collateral Obligations. As a result, a Collateral Manager Related Person may possess information relating to issuers of Collateral Obligations which is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral Obligations and performing the other obligations under the Collateral Management and Administration Agreement. In addition, a Collateral Manager Related Person may invest in loans and securities that are senior to, or have interests different from or adverse to, the Collateral Obligations that are purchased to secure the Notes. It is intended that all Collateral Obligations will be purchased and sold by the Issuer on terms prevailing in the market. Neither the Collateral Manager nor any Collateral Manager Related Person is under any obligation to offer investment opportunities of which they have become aware to the Issuer or to account to the Issuer (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by them from any such transaction.

Furthermore, the Collateral Manager and/or Collateral Manager Related Persons may make an investment on behalf of any account that they manage or advise without offering the investment opportunity to or making any investment on behalf of the Issuer. The Collateral Manager and/or Collateral Manager Related Persons have no affirmative obligation to offer any investments to the Issuer or to inform the Issuer of any investments before offering any investments to other funds or accounts that the Collateral Manager and/or Collateral Manager Related Persons manage or advise. Furthermore, Affiliates of the Collateral Manager may make an investment on their own behalf without offering the investment opportunity to, or the Collateral Manager making any investment on behalf of, the Issuer. Affirmative obligations may exist or may arise in the future, whereby Affiliates of the Collateral Manager are obliged to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Collateral Manager offering those investments to the Issuer. The Collateral Manager will endeavour to resolve conflicts with respect to investment opportunities in a manner which it deems equitable to the extent possible under the prevailing facts and circumstances. Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management and Administration Agreement, those staff may have conflicts in allocating their time and services among the Issuer and the Collateral Manager's other accounts.

The Collateral Manager, acting on behalf of the Issuer, may effect transactions between the Issuer and other entities (including other CLO issuers) in respect of which the Collateral Manager or an Affiliate of the Collateral

Manager acts as collateral manager. The Collateral Manager, on behalf of the Issuer, may conduct principal trades with itself and/or Collateral Manager Related Persons, subject to applicable law. The Collateral Manager may also effect client cross transactions where the Collateral Manager causes a transaction to be effected between the Issuer and a Collateral Manager Related Person. Client cross transactions enable the Collateral Manager to purchase or sell a block of securities for the Issuer at a set price and possibly avoid an unfavourable price movement that may be created through entrance into the market with such purchase or sell order. In addition, the Issuer has agreed to permit cross transactions subject to and in accordance with the terms of the Collateral Management and Administration Agreement. Accordingly, subject as provided above, the Collateral Manager may enter into agency cross transactions where any Collateral Manager Related Person acts as investment manager or adviser or broker for, and may receive commissions or other compensation from both the Issuer and the other party to the cross transaction, and will have a potentially conflicting division of loyalties and responsibilities with respect to both parties to the transaction.

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

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

In addition, the Collateral Manager and/or any Collateral Manager Related Person may own equity or other securities of Obligors of Collateral Obligations and may have provided investment advice, collateral management and other services to issuers of Collateral Obligations. From time to time, the Collateral Manager may, on behalf of the Issuer, purchase or sell Collateral Obligations through the Initial Purchaser or its Affiliates. In connection with the foregoing activities, the Collateral Manager may from time to time come into possession of material non-public information that limits its ability to effect a transaction for the Issuer, and the Issuer's investments may be constrained as a consequence of the Collateral Manager's inability to use such information for advisory purposes or otherwise to effect transactions that otherwise may have been initiated on behalf of its clients, including the Issuer. The Collateral Manager and Collateral Manager Related Persons shall have no general obligation to seek to obtain any material non-public information about any issuer of obligations. The Issuer may invest in the securities of companies Affiliated with the Collateral Manager or a Collateral Manager Related Person or companies in which the Collateral Manager or a Collateral Manager Related Person has an equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Collateral Manager or a Collateral Manager Related Person's own investments in such companies. It is possible that one or more Collateral Manager Related Person may also act as counterparty with respect to one or more Participations.

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

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

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

The Collateral Manager is entitled to the Senior Management Fee, the Subordinated Management Fee and in certain circumstances, the Incentive Management Fee, subject to the Priorities of Payments as described herein and the availability of funds therefor. By reason of the Incentive Management Fee, the Collateral Manager may have a conflict between its obligation to manage the Portfolio prudently and the financial incentive created by such fees for the Collateral Manager to make investments that are riskier or more aggressive than would be the case in the absence of such fees.

The Collateral Manager expects, subject to satisfaction of certain conditions, to agree to pay or direct the payment of a portion of the Collateral Management Fees paid or payable to the Collateral Manager on each Payment Date to one or more third parties including an investor in certain of the Notes. This arrangement will not be extended to all investors.

The Collateral Manager, in its capacity as Retention Holder, intends to enter into financing arrangements in respect of the Retention Notes. It is expected that such financing will be provided by the Initial Purchaser, an Affiliate of the Initial Purchaser or a third party lender. No representations, warranties or guarantees are given that such financing arrangements will comply with the Retention Requirements. In particular, should the Retention Holder default in the performance of its obligations under such financing arrangements, the lenders will have the right to enforce any security granted by the Retention Holder including effecting the sale of some or all of the Retention Notes. In carrying out such sales, such lenders are not required to have regard to the Retention Requirements and any such sale may therefore cause the transaction described herein to cease to be compliant with the Retention Requirements.

Rating Agencies

S&P and Moody's have been engaged by the Issuer to provide their ratings on the Rated Notes. Either Rating Agency may have a conflict of interest where the issuer of a security pays the fee charged by the Rating Agency for its rating services, as the case with the rating of the Rated Notes (with the exception of unsolicited ratings).

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

Each of the Initial Purchaser and its Affiliates (excluding, for these purposes, the Trustee and the Agents) (the "**Deutsche Bank Parties**") will play various roles in relation to the offering, including acting as the structurer of the transaction and in other roles described below.

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

The Initial Purchaser will purchase the Notes from the Issuer on the Issue Date and resell them in individually negotiated transactions at varying prices, which may result in a lower fee being paid to the Initial Purchaser in respect of those Notes. The Initial Purchaser may assist clients and counterparties in transactions related to the

Notes (including assisting clients in future purchases and sales of the Notes and hedging transactions). The Initial Purchaser expects to earn fees and other revenues from these transactions.

The Deutsche Bank Parties may retain a certain proportion of the Notes in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Notes by these parties may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market. The Deutsche Bank Parties are part of a global investment banking and securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The Deutsche Bank Parties may have positions in and will likely have placed or underwritten certain of the Collateral Obligations (or other obligations of the obligors of Collateral Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Collateral Obligations. In addition, the Deutsche Bank Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Obligations. Each of the Deutsche Bank Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the holders of the Notes or any other party. Moreover, the Issuer may invest in loans of obligors Affiliated with the Deutsche Bank Parties or in which one or more Deutsche Bank Parties hold an equity, participation or other interest. The purchase, holding or sale of such Collateral Obligations by the Issuer may increase the profitability of the Deutsche Bank Party's own investments in such obligors.

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

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

Either the Initial Purchaser, an Affiliate of the Initial Purchaser or a third party lender intends to provide financing to the Retention Holder for the acquisition of the Retention Notes, any such financing will be secured over the Retention Notes. When exercising rights in connection with such financing, including rights of enforcement with respect to the security over the Retention Notes, neither the Initial Purchaser, its Affiliates nor a third party lender will have any duty to consider the interests of the Noteholders of the Notes or the Trustee. Accordingly, no assurance can be given as to whether such rights will be exercised in a manner favourable to the Noteholders of any Class of Notes. In particular, the Initial Purchaser, its Affiliates or a third party lender will not be required to have regard to the Retention Requirements. Any enforcement of its security over the Retention Notes may therefore cause the transaction described herein to cease to comply with the Retention Requirements. Furthermore, neither the Initial Purchaser nor any of its Affiliates nor a third party lender shall have any responsibility in respect of any exercise of rights (including enforcement rights) in connection with the financing arrangements or as to whether or not the transaction described herein meets (or continues to meet (at

any time, whether as a consequence of the exercise of such rights by the Initial Purchaser, its Affiliates or a third party lender under the financing arrangements or otherwise) the Retention Requirements.

5. IRISH LAW

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, 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.

Preferred creditors under Irish law

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

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

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

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax, whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

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

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

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

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

Floating charges have certain weaknesses, including the following:

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

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

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

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

(e) they rank after fixed charges.

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended to facilitate the survival of Irish companies in financial difficulties.

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

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the appropriate Irish Court when at least one class of creditors has voted in favour of the proposals and the appropriate 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 the implementation of the scheme of arrangement.

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

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

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

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

6. INVESTMENT COMPANY ACT

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

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

The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines that any holder of an interest in a Rule 144A Note is a Non-Permitted Noteholder the Issuer shall require the sale of the relevant Securities subject to and in accordance with the Conditions. See paragraph 2.27 (*Forced transfer*) above.

TERMS AND CONDITIONS

The following are the terms and conditions of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, substantially in the form in which they will be endorsed on such Notes if issued in definitive certificated form, which will be incorporated by reference into the Global Certificates of each Class representing the Notes, subject to the provisions of such Global Certificates, some of which will modify the effect of these terms and conditions. See "Form of the Notes-Amendments to Terms and Conditions".

The issue of €179,500,000 Class A Senior Secured Floating Rate Notes due 2029 (the "**Class A Notes**"), €33,500,000 Class B Senior Secured Floating Rate Notes due 2029 (the "**Class B Notes**"), €18,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class C Notes**"), €15,500,000 Class D Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class D Notes**"), €21,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class E Notes**"), €10,750,000 Class F Senior Secured Deferrable Floating Rate Notes due 2029 (the "**Class F Notes**"), (the Class F Notes, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Rated Notes**"), €30,520,000 Subordinated Notes due 2029 (the "**Subordinated Notes**", together with the Rated Notes, the "**Notes**") of Aurium CLO I Limited (the "**Issuer**") was authorised by resolution of the board of Directors of the Issuer dated 23 March 2015. The Notes are constituted by a trust deed (together with any other security document entered into in respect of the Notes, the "**Trust Deed**") dated on or about 26 March 2015 between (amongst others) the Issuer and Deutsche Trustee Company Limited in its capacity as trustee (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) for the Noteholders.

These terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) an agency agreement dated on or about 26 March 2015 (the "**Agency Agreement**") between, amongst others, the Issuer, Deutsche Bank AG, London Branch, as principal paying agent, exchange agent and calculation agent (respectively, the "**Principal Paying Agent**", the "**Exchange Agent**" and the "**Calculation Agent**" which terms shall include any successor or substitute principal paying agent, exchange agent or calculation agent, respectively, appointed pursuant to the terms of the Agency Agreement), Deutsche Bank Trust Company Americas as U.S. paying agent, registrar and DTC custodian (respectively, the "**U.S. Paying Agent**", the "**Registrar**" and the "**DTC Custodian**" which terms shall include any successor or substitute U.S. paying agent, registrar or DTC Custodian, respectively, appointed pursuant to the terms of the Agency Agreement), Citibank, N.A., London Branch, as account bank and custodian (respectively, the "**Account Bank**" and the "**Custodian**" which terms shall include any successor or substitute account bank or custodian, respectively, appointed pursuant to the terms of the Agency Agreement) and the Trustee; (b) a collateral management and administration agreement dated on or about 26 March 2015 (the "**Collateral Management and Administration Agreement**") between Spire Partners LLP, as collateral manager in respect of the Portfolio (the "**Collateral Manager**", which term shall include any successor or substitute collateral manager appointed pursuant to the terms of the Collateral Management and Administration Agreement), the Issuer, Deutsche Bank AG, London Branch as collateral administrator (the "**Collateral Administrator**" which term shall include any successor or substitute collateral administrator appointed pursuant to the terms of the Collateral Management and Administration Agreement), Deutsche Bank Trust Company Americas as information agent (the "**Information Agent**" which term shall include any successor or substitute information agent appointed pursuant to the terms of the Collateral Management and Administration Agreement), the Custodian and the Trustee; and (c) an administration agreement between the Issuer and Deutsche International Corporate Services (Ireland) Limited (the "**Administrator**") entered into on or about 7 August 2014 (the "**Issuer Administration Agreement**"). Copies of the Trust Deed, the Agency Agreement and the Collateral Management and Administration Agreement are available for inspection during usual business hours at the registered office of the Issuer (presently at 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland) and at the specified offices of the Registrar for the time being. The holders of each Class of Notes are entitled to the benefit of, are bound by and are deemed to have notice of, all of the provisions of each of the Transaction Documents.

1. Definitions

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

"**Accounts**" means the Principal Account, the Interest Account, the Unused Proceeds Account, the Payment Account, the Custody Account, the Expense Reserve Account, the Supplemental Reserve Account, the First

Period Reserve Account, each Counterparty Downgrade Collateral Account, the Currency Accounts, the Hedge Account, the Interest Smoothing Account and the Unfunded Revolver Reserve Account.

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

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

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

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

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

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

(e) the Excess CCC/Caa Adjustment Amount,

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

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority including, other than where expressly set out below, any value added tax thereon (whether payable to that party or to the relevant tax authority):

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

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

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

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

(iii) to the independent certified public accountants, auditors, agents and counsel of the Issuer, including amounts payable to the Agents (other than the Custodian) pursuant to the Agency Agreement and to the Directors of the Issuer in respect of directors' fees (if any);

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

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

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

(vii) to any other Person in respect of any other fees or expenses contemplated in the Conditions and in the Transaction Documents or any other documents delivered pursuant to or in connection with the issue and sale of the 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;

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

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

(x) to any Selling Institution pursuant to any Participation Agreement after the date of entry into any Participation (excluding, for avoidance of doubt, any payments on account of any Unfunded Amounts);

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

(xii) to the payment of any amounts necessary to provide for the orderly solvent dissolution of the Issuer;

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

(xiv) to any other Person (including the Collateral Manager) in connection with satisfying the Retention Requirements including any costs or fees related to additional due diligence or reporting requirements;

(xv) costs of complying with FATCA; and

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

(c) on a *pro rata* basis, any Refinancing Costs; and

(d) on a *pro rata* basis payment of any indemnities payable to any Person as contemplated in these Conditions or the Transaction Documents,

provided that:

(x) the Collateral Manager may direct the payment of any Rating Agency fees set out in (b)(i) above other than in the order required by paragraph (b) above if the Collateral Manager, the Trustee or the Issuer has been advised by a Rating Agency that non-payment of its fees will immediately result in the withdrawal of any ratings on any Class of Rated Notes;

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

(z) the Collateral Manager may, if it considers it in the interests of the Issuer, direct payment of one or more of the amounts referred to in paragraph (b) above in priority to the other amounts referred to in paragraph (b) above, provided that in each case no such direction of the Collateral Manager may be made without the prior written consent of the Initial Purchaser where the direction contemplated would affect payments to be made to the Initial Purchaser.

"**Administrator**" means Deutsche International Corporate Services (Ireland) Limited in its capacity as corporate administrator to the Issuer.

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

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

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

(i) of such Person;

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

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

For the purposes of this definition:

(A) control of a Person shall mean the power, direct or indirect, (A) to vote more than 50 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; and

(B) the Issuer shall not be deemed to be an "Affiliate" of the Collateral Manager.

For the avoidance of doubt, "**Affiliate**" or "**Affiliates**" in relation to the Issuer and the Collateral Manager shall not include portfolio companies in which funds managed or advised by Affiliates of the Collateral Manager hold on interest.

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

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

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

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

"**AIFMD Retention Requirements**" means Article 17 of the AIFMD, as implemented by Section 5 of the European Union Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD, including any guidance published in relation thereto and any implementing laws or regulations in force in any member state of the European Union, provided that any reference to the AIFMD Retention Requirements shall be deemed to include any successor or replacement provisions of Section 5 included in any European

Union directive or regulation subsequent to the AIFMD or the European Union Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD.

"**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.

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

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

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

"**Average Collateral Principal Amount**" means, in respect of a Due Period, the sum of the Collateral Principal Amount as at open of business on the first Business Day of the Due Period and the Collateral Principal Amount as at open of business on the last Business Day of the Due Period, divided by two.

"**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 Moody's Collateral Value (determined as if such Eligible Investment were a Collateral Obligation).

"**Benefit Plan Investor**" means:

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

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

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

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

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

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

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

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

"**CCC Obligations**" means all Collateral Obligations, excluding Defaulted Obligations, with an S&P Rating of "CCC+" or lower.

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

(a) the excess of the aggregate Principal Balance of all CCC Obligations over an amount equal to 7.5 per cent. of the Collateral Principal Amount as of the current Determination Date (for which purpose, the Principal Balance of each Defaulted Obligation will be its S&P Collateral Value); and

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

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

"**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; provided that notwithstanding that:

(i) the Class A CM Voting Notes, Class A CM Non-Voting Exchangeable Notes and the Class A CM Non-Voting Notes are in the same Class;

(ii) the Class B CM Voting Notes, Class B CM Non-Voting Exchangeable Notes and the Class B CM Non-Voting Notes are in the same Class;

(iii) the Class C CM Voting Notes, Class C CM Non-Voting Exchangeable Notes and the Class C CM Non-Voting Notes are in the same Class; and

(iv) the Class D CM Voting Notes, Class D CM Non-Voting Exchangeable Notes and the Class D CM Non-Voting Notes are in the same Class,

in each case they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed in connection with any CM Removal Resolution or CM Replacement Resolution and, instead, the CM Voting Notes shall be treated as the relevant Class solely for such purpose.

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

"**Class A/B Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the third Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A Notes and the Class B Notes.

"**Class A/B Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the third Payment Date and which will be satisfied on such Measurement Date if the Class A/B Interest Coverage Ratio is at least equal to 125 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 133.3 per cent.

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

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

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

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

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

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

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

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

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

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

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

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

"**Class C Interest Coverage Ratio**" means as of any Measurement Date occurring on and after the Determination Date immediately preceding the third Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A Notes, the Class B Notes and the Class C Notes.

"**Class C Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the third Payment Date and which will be satisfied on such Measurement Date if the Class C Interest Coverage Ratio is at least equal to 112 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 Class C Notes.

"**Class C Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class C Par Value Ratio is at least equal to 123.9 per cent.

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

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

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

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

"**Class D Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the third Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"**Class D Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the third Payment Date and which will be satisfied on such Measurement Date if the Class D Interest Coverage Ratio is at least equal to 105 per cent.

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

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

"**Class D Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class D Par Value Ratio is at least equal to 116.7 per cent.

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

"**Class E Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the third Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"**Class E Interest Coverage Test**" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the third Payment Date and which will be satisfied on such Measurement Date if the Class E Interest Coverage Ratio is at least equal to 102 per cent.

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

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

"**Class E Par Value Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class E Par Value Ratio is at least equal to 108.1 per cent.

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

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

"**Class F 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 F Par Value Ratio is at least equal to 104.8 per cent.

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

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

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

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

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

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

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

"**CM Removal Resolution**" means any Resolution, vote, written direction or consent of the Noteholders in relation to the removal of the Collateral Manager in accordance with the Collateral Management and Administration Agreement following the occurrence of a Collateral Manager Event of Default (other than pursuant to paragraph (viii) of the definition thereof).

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

"**CM Voting Notes**" means Notes which carry a right to vote, in respect of and be counted for the purposes of determining a quorum and the result of voting on a CM Removal Resolution or a CM Replacement Resolution and all other matters as to which Noteholders are entitled to vote.

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

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

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

"**Collateral Enhancement Obligation**" means any warrant or equity security, excluding Exchanged Equity Securities, but including without limitation, warrants relating to Mezzanine Obligations and any equity security received upon conversion or exchange of, or exercise of an option under, or otherwise in respect of a Collateral Obligation; or any warrant or equity security purchased as part of a unit with a Collateral Obligation (but in all cases, excluding, for the avoidance of doubt, the Collateral Obligation), in each case, the acquisition of which will not result in the imposition of any present or future, actual or contingent liabilities or obligations on the Issuer other than those which may arise at its option.

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

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

"**Collateral Manager Event of Default**" has the meaning given to it in Condition 10(f) (*Collateral Manager Events of Default*).

"**Collateral Manager Insolvency Event**" has the meaning given to it in Condition 10(f) (*Collateral Manager Events of Default*).

"**Collateral Manager Notes**" means any Notes the beneficial holder of which is a Collateral Manager Related Person.

"**Collateral Manager Related Person**" means the Collateral Manager or its Affiliates, any director, officer or employee of such entities or any fund or account for which the Collateral Manager or its Affiliates acts as the investment or collateral manager or adviser or exercises discretionary voting authority on behalf of such fund or account.

"**Collateral Obligation**" means any debt obligation or debt security purchased by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer) and which the Collateral Manager has determined satisfies the Eligibility Criteria at the time that the Collateral Manager on behalf of the Issuer entered into a binding commitment to purchase the relevant obligation. References to Collateral Obligations shall include Non-Euro Obligations but shall not include Collateral Enhancement Obligations, Eligible Investments or Exchanged Equity Securities. For the purposes of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test: (a) Collateral Obligations in respect of which a binding commitment has been made by the Issuer (or the Collateral Manager acting on behalf of the Issuer) to purchase such Collateral Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased; and (b) Collateral Obligations in respect of which a binding commitment has been made by the Issuer (or the Collateral Manager acting on behalf of the Issuer) to sell such Collateral Obligations but such sale has not yet been settled shall nonetheless be deemed to have been sold, provided however, that there shall also be deemed to have been made such debits and/or credits to the Accounts representing the purchase price to be paid and/or the Sale Proceeds to be received in respect of such deemed purchase and/or sale. The failure of any obligation to satisfy the Eligibility Criteria at any time after the Issuer or the Collateral Manager on behalf of the Issuer has entered into a binding agreement to purchase it, shall not cause such obligation to cease to constitute a Collateral Obligation unless it is an Issue Date Collateral Obligation which does not satisfy the Eligibility Criteria on the Issue Date. A Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) shall only constitute a Restructured Obligation if it satisfies the Restructured Obligation Criteria on the appropriate Restructuring Date.

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

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

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

(i) the Portfolio Profile Tests and the Collateral Quality Tests (other than the S&P CDO Monitor Test);

(ii) determining whether a Note Event of Default has occurred; and

(iii) determining whether a Frequency Switch Event has occurred,

the Principal Balance of each Defaulted Obligation shall be excluded; and

(b) the Balances standing to the credit of the Principal Account (and any Eligible Investments therein which represent Principal Proceeds) and the Unused Proceeds Account (to the extent such amounts have not been designated for transfer to the Interest Account by the Collateral Manager in accordance with paragraph (4) of Condition 3(j)(iii) (*Unused Proceeds Account*)) (including Eligible Investments therein representing such amounts) (excluding, for the avoidance of doubt, any interest accrued on Eligible Investments).

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

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

(i) (as of the Effective Date and until the expiry of the Reinvestment Period only) the S&P CDO Monitor Test; and

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

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

(i) the Moody's Minimum Diversity Test;

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

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

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

(i) the Minimum Weighted Average Floating Spread Test;

(ii) the Minimum Weighted Average Coupon Test; and

(iii) the Weighted Average Life Test,

each as defined in the Collateral Management and Administration Agreement.

"**Collateral Tax Event**" means at any time, as a result of the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final), or as a result of the application of FATCA, payments due from the Obligors of any Collateral Obligations (or from Selling Institutions in the case of Participations) in relation to any Due Period to the Issuer becoming subject to 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), other than any withholding tax that is compensated for by a "gross up" provision or is recoverable under any applicable double tax treaty, if the aggregate amount of such withholding tax on all Collateral Obligations in relation to such Due Period is equal to or in excess of 6 per cent. of the aggregate interest payments due (excluding any additional interest arising as a result of the operation of any gross up provision) on all Collateral Obligations in relation to such Due Period.

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

"**Controlling Class**" means:

(a) the Class A Notes; or

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

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

the Class B Notes; or

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

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

the Class C Notes; or

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

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

the Class D Notes; or

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

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

the Class E Notes; or

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

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

the Class F Notes; or

(g) following redemption and payment in full of all of the Rated Notes, the Subordinated Notes,

provided that, solely in connection with a CM Removal Resolution or a CM Replacement Resolution, no Notes held in the form of CM Non-Voting Exchangeable Notes and/or CM Non-Voting Notes shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution or (C) be counted for the purposes of determining a quorum or the result of voting in respect of such CM Removal Resolution or CM Replacement Resolution.

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

"**Corporate Rescue Loan**" shall mean any interest in a loan or financing facility that is acquired directly by way of assignment which is paying interest on a current basis and:

(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 Section 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 Section 364(c)(2) of the United States Bankruptcy Code;

(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 Section 364(d) of the United States Bankruptcy Code;

(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 Section 364(c)(1) of the United States Bankruptcy Code; or

(b) is a credit facility or other advance made available to a company or group, in each case, 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 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.

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

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

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

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

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

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

(a) if such Collateral Obligation is a loan obligation, or floating rate note, the price of such loan obligation or such note has changed during the period from the date on which the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation to the proposed sale date by a percentage either at least 0.25 per cent. more positive, or 0.25 per cent. less negative, as the case may be, than the percentage change in the average price of the applicable Eligible Loan Index selected by the Collateral Manager over the same period;

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

(c) if such Collateral Obligation is a loan obligation, the spread over the applicable reference rate for such Collateral Obligation has been decreased in accordance with the underlying Collateral Obligation since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation with a spread (prior to such decrease) less than or equal to 2.0 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation with a spread (prior to such decrease) greater than 2.0 per cent. but less than or equal to 4.0 per cent.) or (3) 0.5 per cent. or more (in the case of a loan obligation with a spread

(prior to such decrease) greater than 4.0 per cent.) due, in each case, to an improvement in the Obligor's financial ratios or financial results;

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

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

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

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

(h) if such Collateral Obligation is a loan or a bond, the proceeds received with respect to its disposition (excluding such proceeds that constitute Interest Proceeds) of such loan or bond would be at least 101.0 per cent. of its purchase price;

(i) if such Collateral Obligation is a loan or floating rate note, the price of such loan or note changed during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either at least 0.25 per cent. more positive, or at least 0.25 per cent. less negative, as the case may be, than the percentage change in any Eligible Loan Index selected by the Collateral Manager over the same period;

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

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

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

(a) if such Collateral Obligation is a loan obligation or floating rate note, the price of such Collateral Obligation has changed during the period from the date on which the Issuer entered into a binding commitment to purchase such Collateral Obligation to the proposed date the Issuer intends to enter into a binding commitment to sell such Collateral Obligation by a percentage which is (i) in the case of Secured Senior Loans or Secured Senior Bonds, either at least 0.25 per cent. more negative or at least 0.25 per cent. less positive and (ii) in the case of Unsecured Senior Loans, Second Lien Loans or Mezzanine Obligations, either at least 0.50 per cent. more negative or at least 0.50 per cent. less positive, in each case, than the percentage change in the average price of an Eligible Loan Index selected by the Collateral Manager over the same period;

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

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

(d) if such Collateral Obligation is a Fixed Rate Collateral Obligation which is a bond or security, the price of such obligation has changed since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by a percentage either at least 1.00 per cent. more negative or at least 1.00 per cent. less positive, as the case may be, than the

percentage change in the Eligible Bond Index over the same period, as determined by the Collateral Manager;

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

(f) with respect to Fixed Rate Collateral Obligations, an increase since the date of purchase of more than 7.50 per cent. in the difference between the yield on such Collateral Obligation and the yield on the German government Bund security having the same maturity as such Collateral Obligation; or

(g) if such Collateral Obligation has a projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as disclosed by the Obligor or arranging bank for the relevant credit facility, or calculated by a third party in published research reports) of the Obligor of such Collateral Obligation of less than 1.00 or that is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio.

"**Credit Risk Obligation**" means any Collateral Obligation that, in the Collateral Manager's reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events), has a significant risk of declining in credit quality or price; provided that at any time during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Risk Obligation for purposes of sales of Collateral Obligations only if, (i) the Credit Risk Criteria are satisfied with respect to such Collateral Obligation or (ii) the Controlling Class by ordinary resolution votes to treat such Collateral Obligation as a Credit Risk Obligation.

"**CRR**" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council (as the same may be amended from time to time).

"**CRR Investment Firm**" means an "investment firm" as defined in point (1) of Article 4(1) of Directive 2004/39/EC, which is subject to the requirements imposed by that Directive, excluding an investment firm which is not authorised to provide the ancillary service referred to in point (1) of Section B of Annex I to Directive 2004/39/EC which provides only one or more of the investment services and activities listed in points (1), (2), (4) and (5) of Section A of Annex I to that Directive and which is not permitted to hold money or securities belonging to its clients and which for that reason may not at any time place itself in debt with those clients.

"**CRR Retention Requirement**" means Articles 404-410 (inclusive) of the CRR (as amended from time to time), together with any guidance published in relation thereto by the EBA including any regulatory and/or implementing technical standards, provided that any reference to the CRR Retention Requirements shall be deemed to include any successor or replacement provisions of Articles 404-410 included in any European Union directive or regulation.

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

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

"**Currency Hedge Counterparty**" means any financial institution with which the Issuer has (pursuant to, and in accordance with, the terms of the Collateral Management and Administration Agreement) entered into a Currency Hedge Agreement or any permitted successor or assignee thereof pursuant to the terms of such Currency Hedge Agreement.

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

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

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

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

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

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

(c) the Collateral Obligation has a Market Value of at least 80 per cent. of its current Principal Balance; and

(d) the Collateral Obligation has a Moody's Rating of at least Caa1.

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

"**Defaulted Currency Hedge Termination Payment**" means any amount payable, including any due and unpaid scheduled amounts thereunder, by the Issuer to a Currency Hedge Counterparty upon termination of a Currency Hedge Transaction in respect of which the Currency Hedge Counterparty was either:

(a) the "Defaulting Party" (as defined in the applicable Currency Hedge Agreement); or

(b) the sole "Affected Party" (as defined in the applicable Currency Hedge Agreement) in respect of:

(i) any termination event, howsoever described, in each case resulting from a ratings downgrade of the Currency Hedge Counterparty and/or its failure or inability to take any specified curative action within any specified period within the applicable Currency Hedge Agreement; or

(ii) a termination event that is a "Tax Event Upon Merger" (as defined in the applicable Currency Hedge Agreement).

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

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

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

(a) the "Defaulting Party" (as defined in the applicable Interest Rate Hedge Agreement); or

(b) the sole "Affected Party" (as defined in the applicable Interest Rate Hedge Agreement) in respect of:

(i) any termination event, howsoever described, in each case, resulting from a ratings downgrade of the Interest Rate Hedge Counterparty and/or its failure or inability to take any specified curative action within any specified period within the applicable Interest Rate Hedge Agreement; or

(ii) a termination event that is a "Tax Event Upon Merger" (as defined in the applicable Interest Rate Hedge Agreement).

"**Defaulted Mezzanine Excess Amounts**" means the lesser of:

(a) the greater of (i) zero and (ii) the aggregate of all amounts paid into the Principal Account in respect of each Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation, minus the sum of (x) the principal amount of such Mezzanine Obligation outstanding immediately prior to receipt of such amounts and (y) any Purchased Accrued Interest relating thereto; and

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

"**Defaulted Obligation**" means a Collateral Obligation as determined by the Collateral Manager:

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

(b) in respect of which any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such Collateral Obligation and such proceedings have not been stayed or dismissed (provided that a Collateral Obligation shall not constitute a Defaulted Obligation under this paragraph (b) if it is a Current Pay Obligation);

(c) in respect of which a Responsible Officer of the Collateral Manager knows the Obligor thereunder is in default as to payment of principal and/or interest on another 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 both such other obligation and the Collateral Obligation are full recourse, unsecured obligations, the other obligation is senior to, or *pari passu* with, the Collateral Obligation in right of payment without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (in the case of a default that in the Collateral Manager's judgment, as certified to the Issuer and the Collateral Administrator in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto and the holders of such obligation have accelerated the maturity of all or a portion of such obligation, except that a Collateral Obligation shall not constitute a "Defaulted Obligation" under paragraph (b) or this paragraph (c) if the Collateral Manager has notified the Rating Agencies in writing of its decision not to treat the Collateral Obligation as a Defaulted Obligation and, Rating Agency Confirmation has been received from Moody's, provided further that the Collateral Obligation shall constitute a Defaulted Obligation under this clause (c) only until such acceleration has been rescinded;

(d) which (i) has an S&P Rating of "D", "CC" or "SD" (or below), or has a Moody's Rating of "Ca" or "C" (or below), or (ii) has a Moody's Rating of "C" or "Ca" (or below), or an S&P Rating of "D", "CC" or "SD" (or below), which Moody's Rating or S&P Rating, in either case has subsequently been withdrawn;

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

(f) if the Obligor thereof offers holders of such Collateral Obligation a new security, obligation or package of securities or obligations that amount to a diminished financial obligation (such as preferred or common stock, or debt with a lower coupon or par amount) of such Obligor and in the reasonable business judgement of the Collateral Manager, such offer has the apparent purpose of helping the Obligor avoid default; provided, however, such obligation will cease to be a Defaulted Obligation under this paragraph if such new obligation is (i) a Restructured Obligation; and (ii) such Restructured

Obligation does not otherwise constitute a Defaulted Obligation pursuant to any other paragraph of the definition hereof;

(g) which the Collateral Manager has received notice or has knowledge that a default has occurred under the underlying instruments and any applicable grace period has expired and the holders of such Collateral Obligation have accelerated the repayment of the Collateral Obligation (but only until such acceleration has been rescinded) in the manner provided in the underlying instrument;

(h) which would be treated as a Current Pay Obligation except that such Collateral Obligation would result in the Aggregate Principal Balance of all Collateral Obligations (excluding any Defaulted Obligations) which constitute Current Pay Obligations exceeding 5 per cent. of the Collateral Principal Amount; provided that in determining which Collateral Obligations which shall be included as Defaulted Obligations in the event the Aggregate Principal Balance of all Current Pay Obligations would exceed 5 per cent. of the Collateral Principal Amount, the Collateral Obligations with the lowest Market Values shall constitute Defaulted Obligations; or

(i) in respect of a Collateral Obligation that is a Participation:

(i) the Selling Institution has defaulted in respect of any of its payment obligations under the terms of such Participation;

(ii) the obligation which is the subject of such Participation would constitute a Defaulted Obligation; or

(iii) the Selling Institution has (x) a Moody's rating of "C" or "Ca" (or below) or had such rating prior to the withdrawal of its Moody's rating or (y) an S&P rating of "CC" (or below), "D" (or below) or "SD" (or below) or had such rating prior to the withdrawal of its S&P rating,

provided that:

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

(B) a Collateral Obligation which is a Corporate Rescue Loan shall only constitute a Defaulted Obligation if: (1) such Corporate Rescue Loan satisfies this definition of "Defaulted Obligation" other than paragraphs (b) and (f) thereof; or (2) the Aggregate Principal Balance of Corporate Rescue Loans exceeds 5 per cent. of the Collateral Principal Amount (in calculating the Collateral Principal Amount for this purpose a Defaulted Obligation shall be deemed to have a Principal Balance equal to the lesser of its S&P Collateral Value and Moody's Collateral Value), in respect of each Corporate Rescue Loan whose Principal Balance is in excess of such 5 per cent. For the purposes of determining which Corporate Rescue Loans represent the excess, the Collateral Obligations with the lowest Market Values shall constitute Defaulted Obligations; and

(C) a Collateral Obligation which is a Current Pay Obligation shall not constitute a Defaulted Obligation (other than as provided in sub-paragraph (h) above).

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

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

"**Deferred Senior Collateral Management Amounts**" has the meaning given to it in Condition 3(c)(i) (*Application of Interest Proceeds*).

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

"**Deferring Security**" means a PIK Security that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon: (i) with respect to Collateral

Obligations that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive accrual periods or one year; and (ii) with respect to Collateral Obligations that have a Moody's Rating of "Ba1" or below, for the shorter of one accrual period or six consecutive months, which deferred capitalised interest has not, as of the date of determination, been paid in cash.

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

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

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

"**Directors**" means such person(s) who may be appointed as director(s) of the Issuer from time to time.

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

(a) in the case of a Floating Rate Collateral Obligation or an interest (including a Participation) in any Floating Rate Collateral Obligation, is acquired by the Issuer for a purchase price that is lower than the lesser of (i) 80 per cent. of the Principal Balance of such Collateral Obligation (or, if such interest has a Moody's Rating below "B3", such interest is acquired by the Issuer for a purchase price of less than 85 per cent. of its Principal Balance) or (ii) the price of the Eligible Loan Index as of the relevant determination date; provided that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of par; and determined other than pursuant to paragraph (e)(ii) of the definition thereof) of such Collateral Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 85 per cent. of the Principal Balance of such Collateral Obligation (in the case of a Collateral Obligation that is a Secured Senior Bond or a High Yield Bond) or 90 per cent. of the Principal Balance of such Collateral Obligation (in the case of any other Collateral Obligation); or

(b) in the case of any Collateral Obligation that is a Fixed Rate Collateral Obligation or an interest in a Fixed Rate Collateral Obligation, is acquired by the Issuer for a purchase price that is lower than the lesser of (i) 75 per cent. of the Principal Balance of such Collateral Obligation (or, if such interest has a Moody's Rating below "B3", such interest is acquired by the Issuer for a purchase price of less than 80 per cent. of its Principal Balance) or (ii) the price corresponding to a yield greater than 2 per cent. over the yield of the Eligible Bond Index as of the relevant determination date; provided that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of par; and determined other than pursuant to paragraph (e)(ii) of the definition thereof) of such Collateral Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 85 per cent. of the Principal Balance of such Collateral Obligation (in the case of a Collateral Obligation that is a Secured Senior Bond or a High Yield Bond) or 90 per cent. of the Principal Balance of such Collateral Obligation (in the case of any other Collateral Obligation),

provided that if such interest is a Revolving Collateral Obligation, and there exists an outstanding non-revolving loan to its obligor ranking *pari passu* with such Revolving Collateral Obligation and secured by substantially the same collateral as such Revolving Collateral Obligation (a "**Related Term Loan**"), in determining whether such Revolving Collateral Obligation continues to be a Discount Obligation, the price of the Related Term Loan, and not of the Revolving Collateral Obligation, shall be referenced.

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

"**Dodd-Frank Act**" means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 21 July 2010.

"**Domicile**" or "**Domiciled**" means, with respect to any Obligor with respect to a Collateral Obligation, at the election of the Collateral Manager:

(a) its country of organisation or incorporation; or

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

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

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

"**EBA**" means the European Banking Authority (formerly known as the Committee of European Banking Supervisors), or any predecessor, successor or replacement agency or authority.

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

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

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

"**Effective Date Determination Requirements**" means, as at the Effective Date, each of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests (save for the Interest Coverage Tests) and the Reinvestment Overcollateralisation Test being satisfied on such date, and the Issuer having acquired or having entered into binding commitments to acquire Collateral Obligations the Aggregate Principal Balance of which equals or exceeds the Target Par Amount by such date (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Obligations subsequent to the Issue Date shall be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value).

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

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

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

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

(a) the Effective Date Determination Requirements not having been satisfied as at the Effective Date (unless Rating Agency Confirmation is received in respect of such failure to satisfy any of the Effective Date Determination Requirements) and either:

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

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

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

(c) Rating Agency Confirmation from S&P not having been received following the Effective Date,

provided that any downgrade or withdrawal of any of the Initial Ratings of the Rated Notes which is not directly related to a request for confirmation thereof or which occurs after confirmation thereof by the Rating Agencies shall not constitute an Effective Date Rating Event.

"**Effective Date Report**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Electronic Resolution**" means any Resolution of the Noteholders passed by way of consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee), as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

"**Eligibility Criteria**" means the Eligibility Criteria specified in the Collateral Management and Administration Agreement which are required to be satisfied in respect of each Collateral Obligation acquired by the Collateral Manager (on behalf of the Issuer) at the time of entering into a binding commitment to acquire such obligation and in the case of Issue Date Collateral Obligations, the Issue Date.

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

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

(a) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed (such guarantee complies with the relevant S&P criteria on guarantees) by, a Qualifying Country or any agency or instrumentality of a Qualifying Country, the obligations of which are fully and expressly guaranteed by a Qualifying Country in each case satisfying the Eligible Investments Minimum Rating (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 and bankers' acceptances issued by any depository institution (including the Account Bank) or trust company incorporated under the laws of a Qualifying Country with, in each case, a maturity of no more than 90 days (or 180 days at any time following the first Payment Date after the occurrence of a Frequency Switch Event) and subject to supervision and examination by governmental banking authorities so long as the depository institution or trust company will also satisfy 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 a Qualifying Country,

in either case entered into with a depository institution or trust company (acting as principal) described in paragraph (b) above or entered into with a corporation (acting as principal) that has not less than the applicable Eligible Investment Minimum Rating at the time of such investment;

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

(e) commercial paper or other short-term obligations having, at the time of such investment, a credit rating of not less than the applicable Eligible Investment Minimum Rating and that either are bearing interest or are sold at a discount to the face amount thereof and have a maturity of not more than 92 days or, following the occurrence of a Frequency Switch Event, 183 days from their date of issuance;

(f) offshore funds investing in the money markets rated, at all times, "AAAm" by S&P and "Aaa-mf" by Moody's, provided that such fund issues shares, units or participations that may be lawfully acquired in Ireland; and

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

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

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

and, in each case, such instrument or investment provides for payment of a pre-determined fixed amount of principal on maturity that is not subject to change, does not include any embedded option and either (A) has a Collateral Obligation Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated on demand without penalty, provided, however, that Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes, obligations rated with an "f", "r", "(sf)", or "t" subscript by S&P, security purchased at a price in excess of 100 per cent. of par or security whose repayment is subject to substantial non credit related risk (as determined by the Collateral Manager in its discretion); provided further that only assets which are "qualifying assets" within the meaning of Section 110 of the Taxes Consolidation Act 1997, of Ireland, as amended (the "**TCA**") and which do not give rise to Irish stamp duty (except to the extent that such stamp duty is taken into account in deciding whether to acquire the assets) may constitute Eligible Investments.

"**Eligible Investment 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 30 days:

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

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

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

(ii) a short term debt or issuer (as applicable) credit rating of at least "A-1" from S&P in the case of Eligible Investments with a maturity of 30 days or less; or

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

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

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

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

"**EMIR**" means Regulation (EU) 648/2012 of the European Parliament and of the European Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, including any implementing and/or

delegated regulation, technical standards and guidance related thereto (in each case, as amended from time to time).

"**EIOPA**" means the European Insurance and Occupational Pensions Authority, or any successor or replacement agency or authority.

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

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

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

(a) in the case of the initial Accrual Period, pursuant to a straight line interpolation of the rates applicable to 6 month and 9 month Euro deposits;

(b) in the case of each six month Accrual Period, 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 January 2029, as applicable to three month Euro deposits; and

(c) at all other times, as applicable to three month Euro deposits.

"**Euro**", "**Euros**", "**euro**" and "**€**" means the lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; provided that if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the "**Exiting State(s)**"), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining member states and shall not include any successor currency introduced by the Exiting State(s).

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

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

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

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

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

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

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

"**Exchanged Equity Security**" means an equity security which is not a Collateral Enhancement Obligation and which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received by the Issuer as a result of restructuring of the terms in effect as of the later of the Issue Date or date of issuance of the relevant Collateral Obligation.

"**Expense Reserve Account**" means an interest bearing account in the name of the Issuer so entitled and held by the Account Bank.

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

"**FATCA**" means Sections 1471 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 and any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes, or practices adopted pursuant to such intergovernmental agreement.

"**First Period Reserve Account**" means the interest bearing account described as such in the name of the issuer with the Account Bank.

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

"**Fixed Rate Collateral Obligation**" means any Collateral Obligation that bears a fixed rate of interest.

"**Floating Rate Collateral Obligation**" means any Collateral Obligation that bears a floating rate of interest.

"**Form Approved Hedge**" means either (i) an Interest Rate Hedge Transaction the documentation for and structure of which conforms to a form which has previously been approved by the Rating Agencies or for which Rating Agency Confirmation has been received by the Issuer (save for the amount and timing of periodic payments, the name of the Collateral Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies) or (ii) a Currency Hedge Transaction the documentation for and structure of which conforms to a form which has previously been approved by the Rating Agencies or for which Rating Agency Confirmation has been received by the Issuer (save for the amount and timing of periodic payments, the name of the Non-Euro Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies).

"**Frequency Switch Event**" shall occur if, on any Frequency Switch Measurement Date, as determined by the Collateral Manager:

(a) the Aggregate Principal Balance of all Frequency Switch Obligations (other than Defaulted Obligations) in respect of such Frequency Switch Measurement Date is greater than or equal to 20 per cent. of the Collateral Principal Amount (the Collateral Principal Amount being determined in accordance with the definition thereof, excluding Defaulted Obligations);

(b) for so long as the Class A Notes or the Class B Notes remain outstanding, the Class A/B Interest Coverage Ratio is greater than or equal to 100 per cent.; and

(c) for so long as the Class A Notes or the Class B Notes remain outstanding, the Class A/B Interest Coverage Ratio is less than 100 per cent. (and provided that for such purpose, paragraphs (b) and (f) of the definition of Interest Coverage Amount shall be deemed to be equal to zero),

and upon the occurrence of a Frequency Switch Event, notification will be given by the Collateral Manager to the Rating Agencies.

"**Frequency Switch Measurement Date**" means each Determination Date from (and including) the Determination Date immediately preceding the second Payment Date, provided that following the occurrence of a Frequency Switch Event, no further Frequency Switch Measurement Date shall occur.

"**Frequency Switch Obligation**" means, in respect of a Determination Date, a Collateral Obligation which has become an Interest Smoothing Obligation during the Due Period ending on the preceding Determination Date as a result of a switch in the frequency of interest payments on such Collateral Obligation occurring during such Due Period in accordance with the applicable Underlying Instrument.

"**Funded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Obligation at any time, the aggregate principal amount of advances or other extensions of credit to the extent funded thereunder by the Issuer that are outstanding at such time.

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

"**Haircut Percentage**" means, in respect of a Non-Euro Obligation 70 per cent. for GBP and USD Non-Euro Obligations, and 50 per cent. for Non-Euro Obligations that are denominated in a Qualifying Currency other than GBP and USD.

"**Hedge Account**" means each interest bearing account of the Issuer with the Account Bank into which all Hedge Counterparty Termination Payments and Hedge Replacement Receipts will be deposited.

"**Hedge Agreement**" means any Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable) and "**Hedge Agreements**" means any of them.

"**Hedge Counterparty**" means any Interest Rate Hedge Counterparty or Currency Hedge Counterparty (as applicable) and "**Hedge Counterparties**" means any of them.

"**Hedge Counterparty Termination Payment**" means the amount payable by a Hedge Counterparty to the Issuer upon termination of a Hedge Transaction.

"**Hedge Issuer Termination Payment**" means the amount payable to a Hedge Counterparty by the Issuer upon termination or modification of a Hedge Transaction.

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

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

"**Hedge Transaction**" means any Interest Rate Hedge Transaction or any Currency Hedge Transaction (as applicable) and "**Hedge Transactions**" means any of them.

"**High Yield Bond**" means a debt security which is a high yielding debt security, as determined by the Collateral Manager, excluding any debt security which is secured directly on, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"**Incentive Management Fee**" means the fee payable to the Collateral Manager (exclusive of any value added tax) pursuant to the Collateral Management and Administration Agreement in an amount, as determined by the Collateral Administrator, equal to the amount specified at paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (AA) of the Post Acceleration Priority of Payments provided that such amount will only be payable to the Collateral Manager if the Incentive Management Fee IRR Threshold has been reached.

"**Incentive Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date if the Subordinated Notes Outstanding have received an IRR of at least 12 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).

"**Initial Investment Period**" means the period from, and including, the Issue Date to, but excluding, the Effective Date.

"**Initial Purchaser**" means Deutsche Bank AG, London Branch.

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

"**Interest Account**" means an interest bearing account described as such in the name of the Issuer with the Account Bank into which Interest Proceeds are to be paid.

"**Interest Amount**" has the meaning given to it in Condition 6(e)(ii) (*Determination of Rate of Interest and Calculation of Interest Amounts*).

"**Interest Coverage Amount**" means, on any particular Measurement Date:

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

(b) plus the scheduled interest payments (including (x) any commitment fees due but not yet received in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations, (y) any amounts which the applicable Obligor has agreed or is required to pay by way of gross-up in respect of amounts

withheld at source or otherwise deducted in respect of taxes, and (z) any amounts which the Collateral Manager reasonably determines will be received within the same Due Period by way of recovery from an applicable tax authority under a double tax treaty) due but not yet received (in each case regardless of whether the applicable due date has yet occurred) in the Due Period in which such Measurement Date occurs on the Collateral Obligations (which in the case of each Non-Euro Obligation subject to a Currency Hedge Agreement shall be deemed to be the related Scheduled Periodic Hedge Counterparty Payment and which in the case of each Non-Euro Obligation which is not subject to a Currency Hedge Agreement shall be deemed to be zero; provided that: (I) (A) in the period prior to settlement of the purchase of a Non-Euro Obligation; or (B) following the termination of a related Currency Hedge Transaction for a period not exceeding 6 calendar months, for so long as no Currency Hedge Transaction or Replacement Currency Hedge Transaction is effective with respect to such Non-Euro Obligation; (II) the Collateral Principal Amount exceeds the Target Par Amount, such amount shall be deemed to be the scheduled interest payments in respect of such Non-Euro Obligation multiplied by the relevant Haircut Percentage, converted into Euro at the Spot Rate of Exchange prevailing at the date of determination) excluding:

(i) accrued and unpaid interest on Defaulted Obligations (excluding Current Pay Obligations) unless such amounts constitute Defaulted Obligation Excess Amounts;

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

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

(iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes except to the extent such withholding or deduction can be reduced or eliminated by application being made under an applicable double tax treaty or otherwise;

(v) interest on any Collateral Obligation which has not paid cash interest on a current basis, in respect of the lesser of (A) twelve months and (B) the two most recent interest periods;

(vi) any scheduled interest payments as to which the Issuer or the Collateral Manager has actual knowledge that such payment will not be made; and

(vii) any Purchased Accrued Interest;

(c) minus the amounts payable pursuant to paragraphs (A) through to (F) of the Interest Proceeds Priority of Payments on the following Payment Date as reasonably determined by the Collateral Manager;

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

(e) plus any amounts that would be payable from the Expense Reserve Account, the First Period Reserve Account and/or the Interest Smoothing Account to the Interest Account in a Due Period and save to the extent that any such amounts are to be designated to be transferred to the Principal Account (without double counting any such amounts which have been already transferred to the Interest Account);

(f) plus any Scheduled Periodic Hedge Counterparty Payments payable to the Issuer under any Interest Rate Hedge Transaction (as determined by the Issuer with the assistance of the Collateral Manager) to the extent not already included in accordance with (b) above; and

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

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

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

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

"**Interest Proceeds**" means all amounts paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means any such amounts received or receivable by the Issuer during the related Due Period to be disbursed pursuant to the Interest Proceeds Priority of Payments on such Payment Date, together with any other amounts to be disbursed out of the Payment Account as Interest Proceeds on such Payment Date pursuant to Condition 3(i) (*Accounts*).

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

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

"**Interest Rate Hedge Counterparty**" means each financial institution with which the Issuer enters into an Interest Rate Hedge Agreement or any permitted assignee or successor under any Interest Rate Hedge Agreement which, in each case, satisfies the applicable Ratings Requirement upon the date of entry into such agreement (or in respect of which Rating Agency Confirmation has been obtained on such date).

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

"**Interest Rate Hedge Transaction**" means each interest rate protection transaction entered into under an Interest Rate Hedge Agreement which may be an interest rate swap, an interest rate cap or an interest rate floor transaction.

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

"**Interest Smoothing Amount**" means, in respect of 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 determined by the Collateral Administrator equal to the amount of interest received during the related Due Period in respect of such Interest Smoothing Obligation, multiplied by:

(i) in respect of an Interest Smoothing Obligation with a Payment Frequency greater than three 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 Collateral Obligation which pays interest less frequently than quarterly.

"**Intermediary Obligation**" means an interest in relation to a loan which is structured to be acquired indirectly by lenders therein at or prior to primary syndication thereof, including pursuant to a collateralised deposit or guarantee, a sub-participation or other arrangement which has the same commercial effect and in each case, in

respect of any obligation of the lender to a "fronting bank" in respect of non-payment by the Obligor, is 100 per cent. collateralised by such lenders.

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

"**Irish Stock Exchange**" means Irish Stock Exchange 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: (i) 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); (ii) the initial date for the calculation as the Issue Date; and (iii) the number of days to each subsequent Payment Date from the Issue Date calculated on the basis of the actual number of days in an Accrual Period divided by 365.

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

"**Issue Date**" means 26 March 2015 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Initial Purchaser and the Collateral Manager and is notified to the Noteholders in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange).

"**Issue Date Collateral Obligation**" means an obligation for which the Issuer (or the Collateral Manager, acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Issue Date.

"**Issuer Administration Agreement**" means the administration agreement relating to the Issuer dated 7 August 2014 between the Issuer and the Administrator.

"**Issuer Irish Account**" means the account in the name of the Issuer established in Ireland for the purposes of, *inter alia*, holding the proceeds of the issued share capital of the Issuer and any fees received by the Issuer in connection with the issue of the Notes.

"**Issuer Profit Amount**" means an amount equal to €1,000 per annum payable on each Payment Date to the Issuer as a fee for entering into the transaction.

"**Key Person**" has the meaning given to it in Condition 10(f) (*Collateral Manager Events of Default*).

"**Key Person Event**" has the meaning given to it in Condition 10(f) (*Collateral Manager Events of Default*).

"**Key Person Trigger**" has the meaning given to it in Condition 10(f) (*Collateral Manager Events of Default*).

"**Liabilities**" means any liabilities, proceedings, claims and demands and costs and expenses relating thereto.

"**Mandatory Redemption**" means a redemption of the Notes pursuant to and in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

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

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

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

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

(d) if two such broker-dealer prices are not available, the bid side price determined by one independent broker-dealer (unless, in each case, the fair market value thereof determined by the Collateral Manager pursuant to paragraph (e)(ii) 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 Collateral Obligation; and (b) the Moody's Recovery Rate of such Collateral Obligation; and (y) 70 per cent. of such Collateral Obligation's Principal Balance; and

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

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

Where the Market Value is determined by the Collateral Manager in accordance with paragraph (e)(ii) above, such determination of Market Value by the Collateral Manager may only be used for a maximum of 30 consecutive days following the Collateral Manager's initial determination, after which time if the Market Value cannot be ascertained by a third party the Market Value shall be deemed to be zero.

"**Maturity Date**" means the Payment Date falling in April 2029.

"**Measurement Date**" means:

(a) the Effective Date;

(b) for the purposes of determining satisfaction of the Reinvestment Criteria, any Business Day after the Effective Date on which such criteria are required to be determined, which determination shall be made, firstly, by reference immediately prior to the purchase of Substitute Collateral Obligations (unless otherwise specified) without taking into account and, secondly, taking into account on a projected basis, the proposed sale of one or more Collateral Obligations and reinvestment of the Sale Proceeds thereof in Substitute Collateral Obligations;

(c) the date of acquisition of any additional Collateral Obligation following the Effective Date;

(d) each Determination Date;

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

(f) following the Effective Date, with reasonable (and not less than five Business Days') notice, any Business Day requested by any Rating Agency then rating any Class of Notes Outstanding.

"**Mezzanine Obligation**" means a mezzanine loan obligation or other comparable debt obligation, including any such loan obligation with attached warrants and any such obligation which is evidenced by an issue of notes (other than High Yield Bonds), as determined by the Collateral Manager in its reasonable business judgment, or a Participation therein.

"**Minimum Denomination**" means:

(a) in the case of the Regulation S Notes of each Class, €100,000; and

(b) in the case of the Rule 144A Notes of each Class, €250,000.

"**Monthly Report**" means any monthly report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on such dates as are set forth in the Collateral Management and Administration Agreement, is deliverable to the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser, the Hedge Counterparties and the Rating Agencies and, upon request therefor in accordance with Condition 4(f) (*Information Regarding the Collateral*), to any Noteholder and which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Management and Administration Agreement.

"**Moody's**" means Moody's Investors Service, Ltd. and any successor or successors thereto.

"**Moody's Collateral Value**" means:

(a) for each Defaulted Obligation, the lower of:

(i) its prevailing Market Value; and

(ii) the relevant Moody's Recovery Rate,

multiplied by its Principal Balance; or

(b) in the case of any other applicable Collateral Obligation, the relevant Moody's Recovery Rate multiplied by its Principal Balance,

provided that if the Market Value cannot be reasonably determined, the Market Value shall be deemed to be zero.

"**Moody's Rating**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Moody's Recovery Rate**" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Moody's.

"**Moody's Test Matrix**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding, the Payment Date falling in April 2017.

"**Non-Eligible Issue Date Collateral Obligation**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Non-Emerging Market Country**" means (i) any of Austria, Australia, Belgium, Bermuda, Canada, the Cayman Islands, the Channel Islands, Denmark, Finland, France, Germany, Iceland, Israel, Republic of Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom or United States or (ii) any other country, (a) the foreign currency issuer credit rating of which is, at the time of acquisition of the relevant Collateral Obligation, at least "BBB-" by S&P and (b) the local currency country bond ceiling rating of which is, at the time of acquisition of the relevant Collateral Obligation, at least "Baa3" by Moody's (provided that Rating Agency Confirmation from Moody's is received in respect of any such other country which is not in the Euro zone or any other country in respect of which, at the time of acquisition of the relevant Collateral Obligation, Rating Agency Confirmation is received.

"**Non-Euro Obligation**" means any Collateral Obligation which is denominated in a Qualifying Currency other than Euro.

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

"**Note Payment Sequence**" means the application of Interest Proceeds or Principal Proceeds, as applicable, in accordance with the relevant Priorities of 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.

"**Noteholders**" means the several persons in whose name the Notes are registered from time to time in accordance with and subject to their terms and the terms of the Trust Deed, and "**holder**" (in respect of the Notes) shall be construed accordingly.

"**Notes**" has the meaning given to it in the first paragraph of these Conditions.

"**Note Tax Event**" means, at any time:

(a) the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final) which results in (or would on the next Payment Date result in) any payment of principal or interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and/or the Subordinated Notes becoming properly subject to any withholding tax other than:

(i) a payment in respect of Deferred Interest becoming properly subject to any withholding tax;

(ii) withholding tax in respect of FATCA;

(iii) by reason of the failure by the relevant Noteholder or beneficial owner to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland, the United States or other applicable taxing authority; and

(iv) U.S. federal backup withholding tax; or

(b) United Kingdom or U.S. federal, governmental or state tax authorities impose net income, profits or similar tax upon the Issuer.

"**Obligor**" means, in respect of a Collateral Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Collateral Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Collateral Obligation, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration 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.

"**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 that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"**Outstanding**" has the meaning given to it in the Trust Deed.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, 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 Collateral Obligation acquired indirectly by the Issuer by way of subparticipation from a Selling Institution which shall include, for the purposes of the Bivariate Risk Table set forth in the Collateral Management and Administration Agreement, Intermediary Obligations.

"**Participation Agreement**" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"**Payment Account**" means the account described as such in the name of the Issuer held with the Account Bank to which amounts shall be transferred by the Account Bank on the instructions of the Collateral Administrator on the Business Day prior to each Payment Date out of certain of the other Accounts in accordance with Condition 3(i) (*Accounts*) and out of which the amounts required to be paid on each Payment Date pursuant to the Priorities of Payments shall be paid.

"**Payment Date**" means:

(a) following the occurrence of a Frequency Switch Event, 26 October and 26 April (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is either 26 January or 26 July), or 26 January and 26 July (where the Payment Date immediately prior to the occurrence of the relevant Frequency Switch Event is either 26 October or 26 April); and

(b) 26 October, 26 January, 26 April and 26 July in each year at all other times,

commencing in October 2015, up to and including the Maturity Date and any Redemption Date (in connection with a redemption of the Rated Notes in whole but not in part pursuant to these Conditions), provided that if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Payment Date Report**" means the report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer and deliverable to the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser, the Hedge Counterparties, any holder of a beneficial interest in any Notes (upon written request of such holder) and each Rating Agency not later than the Business Day preceding the related Payment Date.

"**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.

"**Permitted Use**" has the meaning given to it in Condition 3(j)(vi) (*Supplemental Reserve Account*).

"**Person**" means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**PIK Security**" means any Collateral Obligation which is a security, the terms of which permit the deferral of the payment of interest thereon, including without limitation by way of capitalising interest thereon provided that, for the avoidance of doubt, Mezzanine Obligations shall not constitute PIK Securities.

"**Plan Asset Regulation**" means 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, as they may be amended or modified.

"**Portfolio**" means the Collateral Obligations, Collateral Enhancement Obligations, Exchanged Equity Securities, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests each as defined in the Collateral Management and Administration Agreement.

"**Post-Acceleration Priority of Payments**" means the priority of payments set out in Condition 11 (*Enforcement*).

"**Presentation Date**" means a day which (subject to Condition 12 (*Prescription*)):

(a) is a Business Day;

(b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and

(c) is a Business Day in the place in which the account specified by the payee is located.

"**Principal Account**" means the 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, Class D Notes, Class E Notes and 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*); and provided that solely in connection with a CM Removal Resolution or a CM Replacement Resolution, no Notes held in the form of CM Non-Voting Notes, CM Non-Voting Exchangeable Notes or Collateral Manager Notes shall (a) be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution, or (b) be counted for the purposes of determining a quorum or the result of voting in respect of such CM Removal Resolution or CM Replacement Resolution.

"**Principal Balance**" means, with respect to any Collateral Obligation, Eligible Investment, Collateral Enhancement Obligation, Equity Security or Exchanged Equity Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument but (other than for the purposes of determining compliance with the Minimum Weighted Average Floating Spread Test, the Minimum Weighted Average Coupon Test and the S&P Minimum Weighted Average Recovery Rate Test) including unpaid accrued interest purchased with Principal Proceeds (other than with respect to Defaulted Obligations)), provided however that:

(a) the Principal Balance of any Revolving Obligation and Delayed Drawdown Collateral Obligation as of any date of determination, shall be the outstanding principal amount of such Revolving Obligation or Delayed Drawdown Collateral Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Obligation or Delayed Drawdown Collateral Obligation;

(b) the Principal Balance of each Equity Security, Exchanged Equity Security and each Collateral Enhancement Obligation shall be deemed to be zero;

(c) the Principal Balance of any Non-Euro Obligation shall be the Euro notional amount of the related Currency Hedge Transaction and if no Currency Hedge Transaction is effective with respect to such Non-Euro Obligation, the Principal Balance of such Non-Euro Obligation shall be zero, *provided* that:

(i) (x) in the period prior to settlement of the purchase of a Non-Euro Obligation; or (y) following the termination of a related Currency Hedge Transaction for a period not exceeding 6 calendar months, for so long as no Currency Hedge Transaction or Replacement Currency Hedge Transaction is effective with respect to such Non-Euro Obligation; and

(ii) the Collateral Principal Amount exceeds the Target Par Amount,

the Principal Balance of the applicable Non-Euro Obligation shall be an amount equal to the outstanding principal amount of such Non-Euro Obligation multiplied by the relevant Haircut Percentage, converted into Euro at the Spot Rate of Exchange prevailing at the date of determination;

(d) the Principal Balance of any cash shall be the amount of such cash (and where such cash is denominated in a currency other than Euro, converted into Euro at the Spot Rate, save in respect of a Non-Euro Obligation subject to a Currency Hedge Transaction where any such cash shall be converted into Euro at the Currency Hedge Transaction Exchange Rate);

(e) for the purposes of the 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; and

(f) in respect of a Collateral Obligation, (X) the S&P Rating of which has been determined pursuant to paragraph (e)(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 Collateral Obligation 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 Collateral Obligation, following the earlier of (A) S&P notifying the Collateral Manager that no credit estimate will be provided for such Collateral Obligation 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 Collateral Obligation has been continuously determined in accordance with paragraph (e)(ii) of the S&P Rating definition without a credit estimate having been assigned to it during such period, the Principal Balance of such Collateral Obligation shall be zero, unless S&P has agreed to extend such period, and until an S&P Rating can be determined in respect of such Collateral Obligation pursuant to paragraphs (a), (b) or (e)(i) of the definition of S&P Rating, a credit estimate being assigned by S&P in respect of such Collateral Obligation or such other treatment being applied to such Collateral Obligation as may be advised by S&P.

"**Principal Proceeds**" means all amounts paid or payable into the Principal Account from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) or Condition 11(b) (*Enforcement*).

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

"**Priorities of Payment**" means:

(a) save for (i) in connection with any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*), (ii) in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption following Note Tax Event*) or (iii) following the effectiveness of an Acceleration Notice which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or following the automatic acceleration of the Notes, in the case of Interest Proceeds, the Interest Proceeds Priority of Payments and in the case of Principal Proceeds, the Principal Proceeds Priority of Payments; and

(b) in the event of any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) or following the effectiveness of an Acceleration Notice which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or following the automatic acceleration of the Notes, the Post-Acceleration Priority of Payments.

"**Purchased Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Obligation or Eligible Investment, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms) or Eligible Investment, which was purchased at the time of the acquisition thereof with Principal Proceeds and/or amounts paid out of the Unused Proceeds Account.

"**QIB**" means a Person who is a "qualified institutional buyer" as defined in Rule 144A.

"**QIB/QP**" means a Person who is both a QIB and a QP.

"**Qualified Purchaser**" and "**QP**" mean a Person who is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act.

"**Qualifying Country**" means each of Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United States or the United Kingdom so long as it has a foreign currency issuer credit rating, at the time of acquisition of the relevant Eligible Investment, of at least "AA-" by S&P and at least "Aa3" by Moody's or any other country which has been approved, at the time of acquisition of the relevant Eligible Investment, as a Qualifying Country by the Rating Agencies in writing.

"**Qualifying Currency**" means Euro, Sterling, U.S. Dollars, Czech Koruna, Danish Krone, Norwegian Krone, Swedish Krone, Canadian Dollars, Australian Dollars, New Zealand Dollars, Swiss Francs, Japanese Yen, Polish Zloty or any other currency in respect of which Rating Agency Confirmation has been received.

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

"**Rated Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"**Rating Agencies**" means Moody's and S&P, provided that if at any time Moody's and/or S&P ceases to provide rating services, "Rating Agencies" shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer and satisfactory to the Trustee (a "**Replacement Rating Agency**") and "**Rating Agency**" means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Collateral Management and Administration Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to "Rating Agencies" shall be construed accordingly. Any rating agency shall cease to be a Rating Agency if, at any time, it ceases to assign a rating in respect of any Class of Rated Notes.

"**Rating Agency Confirmation**" means, with respect to any specified action, determination or appointment, receipt by the Issuer and/or the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has, as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, provided that such Rating Agency has, as at the relevant date assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions (except for the parenthetical in paragraph (c) of the definition of Defaulted Obligation referring to Rating Agency Confirmation and for Condition 7(b)(vi)(A) (*Optional Redemption effected through Liquidation only*)), no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action, determination or appointment if (i) such Rating Agency has declined a request from the Trustee, the Collateral Manager or the Issuer to review the effect of such action, determination or appointment or (ii) such Rating Agency announces (publicly or otherwise) or confirms to the Trustee, the Collateral Manager or the Issuer that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment or (iii) such Rating Agency has ceased to engage in the business of providing ratings or has made a public statement to the effect that it will no longer review events or circumstances of the type requiring a Rating Agency Confirmation under any Transaction Document or these Conditions for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by such Rating Agency.

"**Rating Confirmation Plan**" means a plan provided by the Collateral Manager (acting on behalf of the Issuer) to the Rating Agencies setting forth the intended timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, as further described and as defined in the Collateral Management and Administration Agreement.

"**Rating Requirement**" means:

(a) in the case of the Account Bank:

(i) a short-term senior unsecured debt rating of "P-2" by Moody's and a long-term senior unsecured issuer credit rating of at least "A3" by Moody's; and

(ii) 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;

(b) in the case of the Custodian or any sub-custodian appointed thereby:

(i) a short-term senior unsecured debt rating of "P-2" by Moody's and a long-term senior unsecured issuer credit rating of at least "A3" by Moody's; and

(ii) 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;

(c) in the case of the Principal Paying Agent, a short-term senior unsecured debt rating of "P-3" by Moody's and a long-term senior unsecured issuer credit rating of at least "Baa3" by Moody's;

(d) in the case of any Hedge Counterparty, the rating requirement(s) as set out in the relevant Hedge Agreement;

(e) in the case of a Selling Institution with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table; and

(f) in each case, if any of the requirements are not satisfied, by any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

"**Record Date**" means the fifteenth day before the relevant due date for payment of principal and interest in respect of such Note.

"**Redemption Date**" means each date specified for a redemption of the Notes of a Class pursuant to Condition 7 (*Redemption and Purchase*) or, if such day is not a Business Day, the next following Business Day or the date on which the Notes of such Class are accelerated pursuant to Condition 10 (*Events of Default*).

"**Redemption Determination Date**" has the meaning given to it in Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

"**Redemption Notice**" means a redemption notice in the form available from the Registrar which has been duly completed by a Noteholder and which specifies, amongst other things, the applicable Redemption Date.

"**Redemption Price**" means, when used with respect to:

(a) any Subordinated Note, such Subordinated Note's *pro rata* share (calculated in accordance with paragraph (CC) of Condition 3(c)(i) (*Application of Interest Proceeds*), paragraph (T) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and paragraph (AA) of the Post-Acceleration Priority of Payments) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payments; and

(b) any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with any accrued and unpaid interest in respect thereof to the relevant day of redemption and in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any Deferred Interest.

"**Redemption Threshold Amount**" means the aggregate of all amounts which would be due and payable on redemption of the Rated Notes on the scheduled Redemption Date pursuant to Condition 11(b) (*Enforcement*) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Priorities of Payments.

"**Reference Banks**" has the meaning given to it in paragraph (B) of Condition 6(e)(i) (*Rate of Interest*).

"**Refinancing**" has the meaning given to it in Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*).

"**Refinancing Costs**" means the fees, costs, charges and expenses incurred by or on behalf of the Issuer in respect of a Refinancing, provided that such fees, costs, charges and expenses are not Administrative Expenses and have been incurred as a direct result of a Refinancing, as determined by the Collateral Manager.

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency Agreement.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to non-U.S. Persons outside of the United States in "offshore transactions" in reliance on Regulation S.

"**Reinvesting Noteholder**" means each Subordinated Noteholder that elects to make a Reinvestment Amount and whose Reinvestment Amount is accepted, in each case, in accordance with the terms of the Trust Deed.

"**Reinvestment Amount**" has the meaning given to it in Condition 7 (*Redemption and Purchase*).

"**Reinvestment Criteria**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Reinvestment Overcollateralisation Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and during the Reinvestment Period which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least equal to 105.3 per cent.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (i) the end of the Due Period preceding the Payment Date falling in April 2019 or, if such day is not a Business Day, the immediately following Business Day; (ii) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that any applicable Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of Default*)); and (iii) the date on which the Collateral Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Collateral Obligations in accordance with the Reinvestment Criteria.

"**Replacement Currency Hedge Agreement**" means any Currency Hedge Agreement entered into by the Issuer upon termination of an existing Currency Hedge Agreement on substantially the same terms as such existing Currency Hedge Agreement, that preserves for the Issuer the economic effect of the terminated Currency Hedge Agreement and all Currency Hedge Transactions thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Replacement Hedge Transaction**" means any Hedge Transaction entered into by the Issuer, or the Collateral Manager on its behalf, in accordance with the provisions of the Collateral Management and Administration Agreement upon termination of an existing Hedge Transaction on substantially the same terms as such terminated Hedge Transaction, that preserves for the Issuer the economic effect of the terminated Hedge Transaction, subject to such amendments thereto as may be agreed by the Collateral Manager, acting on behalf of the Issuer.

"**Replacement Interest Rate Hedge Agreement**" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement in full on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Hedge Transactions outstanding thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Report**" means each Monthly Report and Payment Date Report.

"**Reporting Delegate**" means a Hedge Counterparty or third party that undertakes to provide delegated reporting in connection with certain derivative transaction reporting obligations of the Issuer.

"**Reporting Delegation Agreement**" means an agreement in a form approved by the Rating Agencies for the delegation by the Issuer of certain derivative transaction reporting obligations to one or more Reporting Delegates.

"**Requisite Majority**" means Noteholders representing at least 75 per cent. of the aggregate Principal Amount Outstanding of the Class or Classes of Notes Outstanding.

"**Resolution**" means any Ordinary Resolution or Extraordinary Resolution, as the context may require.

"**Responsible Officer**" means any officer, authorised person or employee of the Collateral Manager set forth on the list provided by the Collateral Manager to the Issuer and the Trustee which list shall include any portfolio manager having day-to-day responsibility for the performance of the Collateral Manager under the Collateral Management and Administration Agreement, as such list may be amended from time to time.

"**Restricted Trading Period**" means the period during which (a) (i) the S&P rating of the Class A Notes is withdrawn (and not reinstated) or is one or more sub categories below its rating on the Issue Date, provided the Class A Notes are Outstanding; or (ii) the Moody's rating of the Class A Notes is withdrawn (and not reinstated) or is one or more sub categories below its rating on the Issue Date, provided the Class A Notes are Outstanding and (b) after giving effect to any sale (and any related reinvestment) or purchase of the relevant Collateral Obligations, the aggregate outstanding principal balance of the Collateral Obligations (excluding the Collateral Obligation being sold but including any related reinvestment) and Eligible Investments constituting Principal Proceeds (including, without duplication, the related reinvestment or any remaining net proceeds of such sale) is less than the Reinvestment Target Par Balance (and the Restricted Trading Period shall cease when the aggregate outstanding principal balance of the Collateral Obligations and Eligible Investments constituting Principal Proceeds is at least equal with the Reinvestment Target Par Balance); provided that in each case such period will not be a Restricted Trading Period upon the direction of the Issuer with the consent of the Controlling Class acting by Ordinary Resolution; provided, further, that no Restricted Trading Period shall restrict any sale of a Collateral Obligation entered into by the Issuer at a time when a Restricted Trading Period is not in effect, regardless of whether such sale has settled.

"**Restructured Obligation**" means a Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date.

"**Restructured Obligation Criteria**" means the restructured obligation criteria specified in the Collateral Management and Administration Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"**Restructuring Date**" means the date a restructuring of a Collateral Obligation becomes binding on the holders thereof provided if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

"**Retention Holder**" means Spire Partners LLP in its capacity as retention holder in accordance with the Risk Retention Letter.

"**Retention Notes**" means the Notes of each Class subscribed for by the Retention Holder on the Issue Date in an amount equal to 5 per cent. of the nominal value of each Class.

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

"**Revolving Obligation**" means any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the Issuer; but any such Collateral Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"**Risk Retention Letter**" means the letter entered into between the Issuer, the Initial Purchaser, the Trustee, the Collateral Administrator, the Collateral Manager and the Retention Holder dated on or about 26 March 2015.

"**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 CDO Monitor Test**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**S&P Collateral Value**" means for a Collateral Obligation as at the applicable Measurement Date, the lower of:

(a) its prevailing Market Value; and

(b) the relevant S&P Recovery Rate,

in each case, multiplied by its Principal Balance.

"**S&P Issuer Credit Rating**" means in respect of a Collateral Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

"**S&P Matrix**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**S&P Minimum Weighted Average Recovery Rate Test**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**S&P Rating**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**S&P Recovery Rate**" means in respect of any Collateral Obligation, the S&P recovery rate determined in accordance with the Collateral Management and Administration Agreement.

"**Sale Proceeds**" means:

(a) all proceeds received upon the sale of any Collateral Obligation (other than any Non-Euro Obligation) excluding any sale proceeds representing accrued interest designated as Interest Proceeds, by the Collateral Manager provided that no such designation may be made in respect of: (i) Purchased Accrued Interest; or (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; or (iii) proceeds that represent deferred interest accrued in respect of any PIK Security; or (iv) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until (x) such amounts represent Defaulted Obligation Excess Amounts and (y) any Purchased Accrued Interest in relation to such Defaulted Obligation has been paid, together with all proceeds received upon the sale of any Collateral Enhancement Obligation or Exchanged Equity Security;

(b) in the case of any Non-Euro Obligation, all amounts in Euros (or other currencies, if applicable) payable to the Issuer by the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Obligation as described in paragraph (a) above, under the related Currency Hedge Transaction; and

(c) in the case of any Collateral Enhancement Obligation, all proceeds and any fees received upon the sale of such Collateral Enhancement Obligation,

in each case net of any amounts expended by or payable by the Issuer or the Collateral Administrator (on behalf of the Issuer) in connection with sale, disposition or termination of such Collateral Obligation.

"**Scheduled Periodic Currency Hedge Counterparty Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Currency Hedge Counterparty to the Issuer pursuant to the terms of such Currency Hedge Agreement, excluding any Hedge Counterparty Termination Payment.

"**Scheduled Periodic Currency Hedge Issuer Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Currency Hedge Counterparty

pursuant to the terms of such Currency Hedge Agreement, but excluding any Currency Hedge Issuer Termination Payment.

"**Scheduled Periodic Hedge Counterparty Payment**" means a Scheduled Periodic Currency Hedge Counterparty Payment or a Scheduled Periodic Interest Rate Hedge Counterparty Payment.

"**Scheduled Periodic Interest Rate Hedge Counterparty Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Hedge Counterparty to the Issuer pursuant to the terms of such Interest Rate Hedge Agreement excluding any Hedge Counterparty Termination Payment.

"**Scheduled Periodic Interest Rate Hedge Issuer Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Hedge Agreement, but excluding any Interest Rate Hedge Issuer Termination Payment.

"**Scheduled Periodic Hedge Issuer Payment**" means a Scheduled Periodic Currency Hedge Issuer Payment or a Scheduled Periodic Interest Rate Hedge Issuer Payment.

"**Scheduled Principal Proceeds**" means:

(a) in the case of any Collateral Obligation (other than Non-Euro Obligations), scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments);

(b) in the case of any Non-Euro Obligation, scheduled final and interim payments in the nature of principal payable to the Issuer by the applicable Currency Hedge Counterparty under the related Currency Hedge Transaction;

(c) in the case of any Hedge Agreements, any Hedge Replacement Receipts and Hedge Counterparty Termination Payments transferred from the Hedge Account into the Principal Account.

"**Second Lien Loan**" means an obligation (other than a Secured Senior Loan) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation.

"**Secured 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 Initial Purchaser, the Collateral Manager, the Trustee, any Receiver or Appointee appointed by the Trustee under the Trust Deed, the Agents, each Hedge Counterparty, each Reporting Delegate and the Administrator and "**Secured Parties**" means any two or more of them as the context so requires.

"**Secured Senior Bond**" means a Collateral Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security and that may bear a floating or fixed rate of interest (and that is not a Secured Senior Loan) as determined by the Collateral Manager in its reasonable business judgment, or a Participation therein, provided that:

(a) it is secured:

(i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices); and otherwise

(ii) by no less than 80 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in paragraph (a) above provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares if an enforcement in respect of such loan occurs, provided such loan represents no more than 15 per cent. of the Obligor's senior debt.

"**Secured Senior Loan**" means a Collateral Obligation (which may be a Revolving Obligation or a Delayed Drawdown Collateral Obligation, a Non-Euro Obligation, a Cov-Lite Loan or a Corporate Rescue Loan) that is a senior secured loan obligation as determined by the Collateral Manager in its reasonable business judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by no less than 80 per cent. of the equity interests in the stock of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or stock referred to in (a) above provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Selling Institution**" means an institution from whom (i) a Participation is taken and satisfies the applicable Rating Requirement or (ii) an Assignment is acquired.

"**Senior Expenses Cap**" means, in respect of each Payment Date the sum of:

(a) €300,000 per annum (pro rated for the Due Period for the related Payment Date on the basis of a 360 day year comprised of twelve 30-day months); and

(b) 0.03 per cent. per annum (pro rated for the Due Period for the related Payment Date on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the Determination Date immediately preceding the Payment Date in respect of such Due Period,

provided however that if the amount of the Trustee Fees and Expenses and Administrative Expenses paid on each of the three immediately preceding Payment Dates or, if a Frequency Switch Event has occurred, the immediately preceding Payment Date and in either case, during the related Due Period is less than the stated Senior Expenses Cap, the amount of such excess (if any) will be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, any such excess amount may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"**Senior Loan**" means a Collateral Obligation that is a Secured Senior Loan, an Unsecured Senior Loan or a Second Lien Loan.

"**Senior Management Fee**" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Collateral Management and Administration Agreement in an amount, as determined by the Collateral Administrator, equal to 0.15 per cent. per annum (calculated semi-annually in respect of each semi-annual Due Period following the occurrence of a Frequency Switch Event and quarterly at all other times and, in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) (exclusive of any value added tax) of the Average Collateral Principal Amount for such Due Period.

"**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 Notes (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to any federal, state, local or non-U.S. law that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"**Solvency II**" means Directive 2009/138/EC of The European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast) 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 Article 254 (Risk retention requirements relating to the originators, sponsors or original lenders) of Chapter VIII (Investments in Securitisation Positions) of Commission Delegated Regulation (EU) 2015/35 which came into force on 18 January 2015, as amended from time to time.

"**Special Redemption**" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"**Special Redemption Amount**" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"**Special Redemption Date**" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"**Spot Rate**" means with respect to any conversion of any currency into Euro or, as the case may be, of Euro into any other relevant currency, the relevant spot rate of exchange quoted by the Collateral Administrator on the date of calculation to same day settlements or, in the case of prior day settlement currencies, prior day settlement.

"**Subordinated Management Fee**" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Collateral Management and Administration Agreement in an amount, as determined by the Collateral Administrator, equal to 0.35 per cent. per annum (calculated semi-annually in respect of each semi-annual Due Period following the occurrence of a Frequency Switch Event and quarterly at all other times and, in each case, on the basis of a 360 day year and the actual number of days elapsed in such Due Period) (exclusive of any value added tax) of the Average Collateral Principal Amount for such Due Period.

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

"**Subordinated Notes**" has the meaning given to it in the first paragraph of these Conditions.

"**Subscription Agreement**" means the subscription agreement between the Issuer and the Initial Purchaser dated on or about 26 March 2015.

"**Substitute Collateral Obligation**" means a Collateral Obligation purchased in substitution for a previously held Collateral Obligation pursuant to the terms of the Collateral Management and Administration Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Supplemental Reserve Account**" means an interest bearing account in the name of the Issuer, so entitled and held with the Account Bank.

"**Supplemental Reserve Amount**" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds retained in the Supplemental Reserve Account on the Payment Date in accordance with the Interest Proceeds Priority of Payments, at the sole discretion of the Collateral Manager which amounts shall not exceed €4,000,000 in the aggregate for any Payment Date or an aggregate amount for all applicable Payment Dates of €15,000,000.

"**Swap Tax Credits**" means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by a Hedge Counterparty to the Issuer or a reduced payment from the Issuer to a Hedge Counterparty.

"**Swapped Non-Discount Obligation**" means any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Obligation that was not a Discount Obligation at the time of its purchase and will not be considered a Discount Obligation so long as such purchased Collateral Obligation:

(a) is purchased or committed to be purchased within 30 Business Days of such sale;

(b) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the sold Collateral Obligation;

(c) is purchased at a price not less than 50 per cent. of the Principal Balance thereof; and

(d) has a Moody's Rating equal to or higher than the Moody's Rating of the sold Collateral Obligation;

provided that:

(i) to the extent the Aggregate Principal Balance of all Swapped Non Discount Obligations held by the Issuer as at the date of determination exceeds 5 per cent. of the Collateral Principal Amount (for which purposes, the Principal Balance of each Defaulted Obligation will be the lower of its Moody's Collateral Value and its S&P Collateral Value), such excess will not constitute Swapped Non-Discount Obligations (and, for the avoidance of doubt, such excess will instead constitute Discount Obligations);

(ii) to the extent the cumulative Aggregate Principal Balance of all Swapped Non-Discount Obligations acquired by the Issuer on or after the Issue Date (for the avoidance of doubt, whether or not each such Swapped Non-Discount Obligation is currently held by the Issuer at the relevant time) exceeds 10.0 per cent. of the Collateral Principal Amount (for which purposes, the Principal Balance of each Defaulted Obligation will be the lower of its Moody's Collateral Value and its S&P Collateral Value), such excess will not constitute Swapped Non-Discount Obligations (and, for the avoidance of doubt, such excess will instead constitute Discount Obligations); and

(iii) such Collateral Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of par) for such Collateral Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Obligation equals or exceeds (A) for a loan, 90 per cent. or (B) for all other Collateral Obligations, 85 per cent.

"**Target Par Amount**" means €300,000,000.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer system (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**Trading Gains**" means, in respect of any Collateral Obligation which is repaid, prepaid, redeemed or sold, any excess of (a) the Principal Proceeds or Sale Proceeds received in respect thereof over (b) the greater of (i) the Principal Balance thereof and (ii) the product of the purchase price (expressed as a percentage) and the Principal Balance thereof, in each case net of (A) any expenses incurred in connection with any repayment, prepayment, redemption or sale thereof, and (B) in the case of a sale of such Collateral Obligation, any interest accrued but not paid thereon which has not been capitalised as principal and included in the sale price thereof.

"**Transaction Documents**" means the Trust Deed (including these Conditions), the Agency Agreement, the Subscription Agreement, the Euroclear Security Agreement, the Collateral Management and Administration Agreement, any Hedge Agreements, the Risk Retention Letter, the Collateral Acquisition Agreements, the Participation Agreements, the Issuer Administration Agreement, the Warehouse Termination Agreement and any document supplemental thereto or issued in connection therewith.

"**Trustee Fees and Expenses**" means the fees, costs and expenses (including, without limitation, legal fees) and all other amounts payable to the Trustee or any agent, delegate or Appointee thereof (including any Receiver appointed) pursuant to the Trust Deed (including these Conditions) from time to time plus any applicable value added tax thereon payable under the Trust Deed or any other Transaction Document, including indemnity payments and any fees, costs, charges and expenses properly incurred by the Trustee in respect of any Refinancing.

"**UCITS Directive**" means Directive 2009/65/EC on Undertakings for Collective Investment in Transferable Securities (as amended from time to time) including any implementing and/or delegated regulations, technical standards and guidance related thereto.

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Collateral Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Obligation or under which the holders or creditors under such Collateral Obligation are the beneficiaries.

"**Unfunded Amount**" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Obligation or Delayed Drawdown Collateral Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

"**Unfunded Revolver Reserve Account**" means the account of the Issuer established and maintained with the Account Bank pursuant to the Agency Agreement, amounts standing to the credit of which, subject to certain conditions, may be used to fund in full the amount of any unfunded commitments or unfunded liabilities from time to time, in relation to Delayed Drawdown Collateral Obligations and Revolving Obligations.

"**United States Person**" means a "**United States person**" as defined in Section 7701(a)(30) of the Code.

"**Unscheduled Principal Proceeds**" means (i) with respect to any Collateral Obligation (other than a Non-Euro Obligation), principal proceeds received by the Issuer prior to the Collateral Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Obligation); (ii) with respect to any Non-Euro Obligation subject to a Currency Hedge Agreement any amounts in Euro payable to the Issuer by the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of any unscheduled principal proceeds received in respect of any Collateral Obligation under the related Currency Hedge Transaction, and (iii) with respect to any Non-Euro Obligation which is not subject to a Currency Hedge Agreement, principal proceeds received by the Issuer prior to the Collateral Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Obligation) converted into Euro at the applicable Spot Rate.

"**Unsecured Senior Loan**" means a Collateral Obligation that:

(a) is a loan obligation senior to any unsecured, subordinated obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgment; and

(b) is not secured (i) by fixed assets of the Obligor or guarantor thereof if and to the extent that the granting of security over assets is permissible under applicable law or (ii) by 80 per cent. of the equity interests in the stock of an entity owning such fixed assets.

"**Unused Proceeds Account**" means an interest bearing account in the name of the Issuer with the Account Bank into which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(iii) (*Unused Proceeds Account*).

"**U.S. Person**" means a U.S. person as such term is defined under Regulation S.

"**Warehouse Arrangements**" means the financing arrangement entered into by the Issuer prior to the Issue Date to finance the acquisition of the Collateral Obligations prior to the Issue Date.

"**Warehouse Termination Agreement**" means the termination agreement dated on or about the Issue Date relating to the termination of the Warehouse Arrangements.

"**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.

2. Form and Denomination, Title, Transfer and Exchange

(a) Form and Denomination

The Notes of each Class will be issued in definitive, certificated, fully registered form, without interest coupons, talons and principal receipts attached, in the applicable Minimum Denomination and integral multiples of any Authorised Integral Amount in excess thereof. A Definitive Certificate will be issued to each Noteholder in respect of its registered holding of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded in the Register which the Issuer shall procure to be kept by the Registrar.

(b) Title to the Registered Notes

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Notes will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice

of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

(c) Transfer

One or more Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar, of the Definitive Certificate representing such Notes 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 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. The Issuer shall procure that at all times the Register is kept and maintained outside the United Kingdom and no copy of the Register is created, kept or maintained in the United Kingdom.

(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 Registrar or at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be sent by courier, at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d) (*Delivery of New Certificates*), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of 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 or the Registrar, but upon payment (or the giving of such indemnity as the Registrar 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 Registrar during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) Forced Transfer of Rule 144A Notes

If the Issuer determines at any time that a holder of Rule 144A Notes is a U.S. Person and is not a QIB/QP (any such person, a "**Non-Permitted Noteholder**"), the Issuer shall, promptly after determination that such person is a Non-Permitted Noteholder by the Issuer, send notice to such Non-Permitted Noteholder demanding that such Non-Permitted Noteholder transfer its Notes outside the United States to a non-U.S. Person or within the United States to a U.S. Person that is a QIB/QP within 30 days of the date of such notice. If such holder fails to sell or transfer its Rule 144A Notes within

such period, such holder may be required by the Issuer to sell such Rule 144A Notes to a purchaser selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Rule 144A Notes and selling such Rule 144A Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other person in the chain of title from the permitted Noteholder to the Non-Permitted Noteholder by its acceptance of an interest in the Rule 144A Notes agrees to co-operate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and none of the Issuer, the Trustee and the Registrar shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP or a non-U.S. Person. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such a certification is requested is not a QIB/QP or a non-U.S. Person. Furthermore, the Issuer reserves the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note to any Person who is not either a non-U.S. Person or a U.S. Person that is a QIB/QP.

(i) Forced Transfer pursuant to ERISA

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made, as applicable, a prohibited transaction, Benefit Plan Investor, Controlling Person, Other Plan Law or Similar Law representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation set out in the Plan Asset Regulation (any such Noteholder a "**Non-Permitted ERISA Noteholder**"), the Non-Permitted ERISA Noteholder may be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser (selected by the Issuer) at a price to be agreed between the Issuer (exercising its sole discretion) and such eligible purchaser at the time of sale, subject to the transfer restrictions set out in the Trust Deed. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer, to the extent required to effect such transfers. Neither the Issuer, the Trustee 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. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Noteholder will receive the balance, if any.

(j) Forced Transfer pursuant to FATCA

Each Noteholder will agree to provide the Issuer and its agents with any correct, complete and accurate forms or certifications that may be required for the Issuer to comply with FATCA and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the Noteholder fails to provide such forms or certifications, or to the extent that its ownership of the Notes would otherwise cause the Issuer to be subject to tax under FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to the Noteholder as compensation for any taxes to which the Issuer is subject under FATCA as a result of such failure or the Noteholder's ownership of Notes, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or the Noteholder's ownership of Notes, the Issuer will have the right to compel the Noteholder to sell its Notes, and, if the Noteholder does not sell its Notes within 10 Business Days after notice from the Issuer or any agent of the Issuer, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any costs, charges, and any taxes incurred by the Issuer in connection with such sale) to the Noteholder as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion.

(k) Forced Transfer mechanics

In order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*) and 2(i) (*Forced Transfer pursuant to ERISA*), the Issuer may, in the event that any

Noteholder objects to or otherwise prevents such transfer, repay any affected Notes of such Noteholder at par value together with accrued interest and issue replacement Notes to the relevant transferee.

(l) Exchange of Voting/Non-Voting Notes

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

CM Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of voting on, any CM Replacement Resolution and any CM Removal Resolution. CM Non-Voting Exchangeable Notes and CM Non-Voting Notes shall not carry any rights in respect of, or be counted for the purposes of determining a quorum and the result of voting on, any CM Removal Resolution or any CM Replacement Resolution but shall carry a right to vote on and be counted in respect of all other matters in respect of which the CM Voting Notes have a right to vote and be counted.

CM Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Non-Voting Exchangeable Notes shall be exchangeable (a) upon request by the relevant Noteholder at any time into CM Non-Voting Notes or (b) into CM Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor and in no other circumstance. CM Non-Voting Notes shall not be exchangeable at any time into CM Voting Notes or CM Non-Voting Exchangeable Notes.

Any such right to exchange a Note, as described and subject to the limitations set out in the immediately prior paragraph, may be exercised by a Noteholder holding a Definitive Certificate or a beneficial interest in a Global Certificate delivering to the Registrar a duly completed exchange request substantially in the form provided in the Trust Deed.

3. Status

(a) Status

The Notes of each Class constitute direct, general, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse and Non-Petition*). The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) Relationship Among the Classes

The Notes of each Class are constituted by the Trust Deed and the Notes are secured on the Collateral as further described in the Trust Deed. Except to the extent described below, payments of interest on the Class A Notes will rank senior to payments of interest on each Payment Date in respect of each other Class; payment of interest on the Class B Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, but senior in right of payment to payments of interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payment of interest on the Class C Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes and the Class B Notes, but senior in right of payment to payments of interest on the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payment of interest on the Class D Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes and the Class C Notes, but senior in right of payment to payments of interest on the Class E Notes, the Class F Notes and the Subordinated Notes; payment of interest on the Class E Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but senior in right of payment to payments of interest on the Class F Notes and the Subordinated Notes; payment of interest on the Class F Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, but senior in right of payment to payments of interest on the Subordinated Notes. Payment of interest on the Subordinated Notes will be subordinated in right of

payment to payment of interest in respect of the Rated Notes. Interest on the Subordinated Notes shall be paid *pari passu* and without any preference amongst themselves.

Upon a failure of the Class F Par Value Test, rather than redeeming the Rated Notes in accordance with the Note Payment Sequence, Interest Proceeds will first be used to redeem the Class F Notes in accordance with and subject to the Interest Proceeds Priority of Payments and then to redeem the Rated 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. If Interest Proceeds are insufficient to cure such failure, Principal Proceeds will be used to redeem the Rated Notes in accordance with the Note Payment Sequence in each case subject to the Priorities of Payment.

No amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class A Notes. No amount of principal in respect of the Class C Notes shall become due and payable until redemption and payment in full of the Class A Notes and the Class B Notes. No amount of principal in respect of the Class D Notes shall become due and payable until redemption and payment in full of the Class A Notes, Class B Notes and the Class C Notes. No amount of principal in respect of the Class E Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. No amount of principal in respect of the Class F Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. No amount of principal on the Subordinated Notes shall become due and payable until redemption and payment in full of the Rated Notes. Subject to the applicability of the Post-Acceleration Priority of Payments, the Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal Proceeds Priority of Payments on a *pari passu* basis. Payments on the Subordinated Notes are subordinated to payments on the Rated Notes and other amounts described in the Priorities of Payments and no payments out of Principal Proceeds will be made on the Subordinated Notes until the Rated Notes and other payments ranking prior to the Subordinated Notes in accordance with the Priorities of Payments are paid in full.

(c) Priorities of Payments

The Collateral Administrator shall (on the basis of the Payment Date Report prepared by the Collateral Administrator in consultation with the Collateral Manager pursuant to the terms of the Collateral Management and Administration Agreement on each Determination Date), on behalf of the Issuer (i) on each Payment Date prior to the delivery of an Acceleration Notice in accordance with Condition 10(b) (*Acceleration*) or an automatic acceleration of the maturity of the Notes in accordance with the Conditions; (ii) following delivery of an Acceleration Notice which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*); and (iii) other than in connection with an optional redemption in whole under Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption following Note Tax Event*) (in which event the Post-Acceleration Priority of Payments shall apply), cause the Account Bank to disburse Interest Proceeds and Principal Proceeds transferred to the Payment Account, in each case, in accordance with the following Priorities of Payments:

(i) Application of Interest Proceeds

Subject as further provided below, Interest Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment of: (i) *firstly*, taxes owing by the Issuer accrued in respect of the related Due Period (other than Irish corporate income tax in relation to the Issuer Profit Amount referred to in (ii) below) as certified by an Authorised Officer of the Issuer to the Collateral Administrator, if any (save for any value added tax or any other tax payable in relation to any Collateral Management Fee or any other tax payable in relation to any amount payable to the Secured Parties (or any other persons) in accordance with the following paragraphs); and (ii) *secondly*, the Issuer Profit Amount to be retained by the Issuer, for deposit into the Issuer Irish Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period provided that following the occurrence of a Note Event of Default, the Senior Expenses Cap shall not apply;

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above provided that following the occurrence of a Note Event of Default, the Senior Expenses Cap shall not apply;

(D) to the Expense Reserve Account, at the Collateral Manager's discretion, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less (i) any amounts paid pursuant to paragraph (B) and (C) above and (ii) any amounts paid out of the Expense Reserve Account in respect of the related Due Period;

(E) to the payment:

(1) *firstly*, to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Collateral Management Amounts) except that the Collateral Manager may, in its sole discretion, elect to (x) designate for reinvestment or (y) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (E) (any such amounts, being "**Deferred Senior Collateral Management Amounts**") on any Payment Date, provided that any such amount in the case of (x) shall (a)(i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations and (b) not be treated as unpaid for the purposes of this paragraph (E) or paragraph (X) below or in the case of (y), shall be applied to the payment of amounts in accordance with paragraphs (F) through (W) and (Y) through (CC) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Collateral Management Amounts) and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(F) to the payment

(1) on a *pro rata* basis, of any Scheduled Periodic Interest Rate Hedge Issuer Payments (to the extent not paid out of the Interest Account) and Scheduled Periodic Currency Hedge Issuer Payments (to the extent not paid from funds available in the applicable Currency Accounts) in each case due and payable to a Hedge Counterparty, and any Hedge Issuer Termination Payments (to the extent not paid out of the Hedge Account or the Currency Accounts and other than Defaulted Hedge Termination Payments);

(2) of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Account);

(G) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class A Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class A Notes;

(H) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class B Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class B Notes;

(I) if (i) the Class A/B Par Value Test is not satisfied on any Determination Date on or after the Effective Date, or (ii) the Class A/B Interest Coverage Test is not satisfied on any Determination Date on or after the Determination Date immediately preceding the third Payment Date, to the redemption of the Rated Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A/B Coverage Test to be satisfied if recalculated following such redemption;

(J) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class C Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(K) to the payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class C Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(L) if (i) the Class C Par Value Test is not satisfied on any Determination Date on or after the Effective Date, or (ii) the Class C Interest Coverage Test is not satisfied on any Determination Date on or after the Determination Date immediately preceding the third Payment 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;

(M) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class D Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(N) to the payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class D Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(O) if (i) the Class D Par Value Test is not satisfied on any Determination Date on or after the Effective Date, or (ii) the Class D Interest Coverage Test is not satisfied on any Determination Date on or after the Determination Date immediately preceding the third Payment Date, to the redemption of the Rated Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test to be satisfied if recalculated following such redemption;

(P) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class E Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(Q) to the payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class E Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(R) if (i) the Class E Par Value Test is not satisfied on any Determination Date on or after the Effective Date, or (ii) the Class E Interest Coverage Test is not satisfied on any Determination Date on or after the Determination Date immediately preceding the third Payment Date, to the redemption of the Rated Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class E Coverage Test to be satisfied if recalculated following such redemption;

(S) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class F Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(T) to the payment on a *pro rata* and *pari passu* basis of any Deferred Interest on the Class F Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(U) if the Class F Par Value Test is not satisfied on any Determination Date on or after the Effective Date, to the redemption of, firstly, the Class F Notes until the Class F Notes are redeemed in full and, secondly, to the redemption of the Rated 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;

(V) on the Payment Date following the Effective Date and each Payment Date thereafter to the extent required, in the event of the occurrence of an Effective Date Rating Event which is continuing on the Business Day prior to such Payment Date, to redeem the Rated Notes in full

in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing;

(W) if, on any Payment Date during the Reinvestment Period, after giving effect to the payment of all amounts payable in respect of paragraphs (A) to (V) (inclusive) above, the Reinvestment Overcollateralisation Test has not been met, Interest Proceeds shall, be applied to the payment to the Principal Account as Principal Proceeds for the acquisition of additional Collateral Obligations, in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (x) 50 per cent. of all remaining Interest Proceeds available for payment and (y) the amount which, after giving effect to such payment, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied if recalculated immediately following such payment;

(X) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly on the relevant taxing authority) until such amount has been paid in full except that the Collateral Manager may, in its sole discretion, elect to (x) designate for reinvestment or (y) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (X) (any such amounts, being "**Deferred Subordinated Collateral Management Amounts**") on any Payment Date, provided that any such amount in the case of (x) shall (a)(i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations and (b) not be treated as unpaid for the purposes of paragraph (E) above or this paragraph (X) or in the case of (y) shall be applied to the payment of amounts in accordance with paragraphs (Y) through (CC) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied;

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(3) *thirdly*, at the election of the Collateral Manager (in its sole discretion) to the Collateral Manager in payment of any previously Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts;

(Y) to the payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(Z) to the payment of Administrative Expenses (if any) not paid by reason of the Senior Expenses Cap, in relation to each item thereof in the order of priority stated in the definition thereof;

(AA) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Hedge Termination Payments due to any Currency Hedge Counterparty (to the extent not paid out of the Hedge Account) or Interest Rate Hedge Counterparty (to the extent not paid out of the Hedge Account);

(BB) during the Reinvestment Period at the direction and in the discretion of the Collateral Manager, to transfer to the Supplemental Reserve Account, any Supplemental Reserve Amount; and

(CC) (1) If the Incentive Management Fee IRR Threshold has not been reached, any remaining Interest Proceeds to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption), until the Incentive Management Fee IRR Threshold is reached; and

(2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date in accordance with the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, the Incentive Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) 20 per cent. of any remaining Interest Proceeds, to the payment to the Collateral Manager as an Incentive Management Fee;

(b) any value added tax on the fee referred to in paragraph (a) above (whether payable to the Collateral Manager or directly to the relevant tax authority); and

(c) any remaining Interest Proceeds after the payment of the Incentive Management Fee and any value added tax thereon pursuant to paragraphs (a) and (b) above, to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(ii) Application of Principal Proceeds

Principal Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (I) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(B) to the payment of the amounts referred to in paragraph (J) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only if the Class A Notes and the Class B Notes have been redeemed in full;

(C) to the payment of the amounts referred to in paragraph (K) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only if the Class A Notes and the Class B Notes have been redeemed in full;

(D) to the payment of the amounts referred to in paragraph (L) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be satisfied;

(E) to the payment of the amounts referred to in paragraph (M) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only if the Class A Notes, Class B Notes and Class C Notes have been redeemed in full;

(F) to the payment of the amounts referred to in paragraph (N) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only if the Class A Notes, Class B Notes and Class C Notes have been redeemed in full;

(G) to the payment of the amounts referred to in paragraph (O) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class D Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be satisfied;

(H) to the payment of the amounts referred to in paragraph (P) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only if the Class A Notes, Class B Notes, Class C Notes and Class D Notes have been redeemed in full;

(I) to the payment of the amounts referred to in paragraph (Q) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class A Notes, Class B Notes, Class C Notes and Class D Notes have been redeemed in full;

(J) to the payment of the amounts referred to in paragraph (R) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class E Coverage Tests that are applicable on such Payment Date with respect to the Class E Notes to be satisfied;

(K) to the payment of the amounts referred to in paragraph (S) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only 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;

(L) to the payment of the amounts referred to in paragraph (T) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only 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;

(M) if the Class F Par Value Test is not satisfied on any Determination Date on or after the Effective Date and to the extent the Class F Par Value Test has not been satisfied following the application of Interest Proceeds in accordance with paragraph (U) of the Interest Proceeds Priority of Payments, to the redemption of the Rated 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;

(N) to the payment of the amounts referred to in paragraph (V) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder;

(O) if such Payment Date is a Special Redemption Date, at the election of the Collateral Manager, to make payments in an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date in accordance with the Note Payment Sequence;

(P) (1) during the Reinvestment Period, at the discretion of the Collateral Manager (acting on behalf of the Issuer): (i) in the purchase of Substitute Collateral Obligations or (ii) to transfer to the Principal Account for investment in Eligible Investments pending reinvestment in Substitute Collateral Obligations at a later date, in each case in accordance with and subject to the provisions of the Collateral Management and Administration Agreement; and

(2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Obligations or to the Principal Account pending reinvestment in Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;

(Q) after the Reinvestment Period, to redeem the Rated Notes in accordance with the Note Payment Sequence;

(R) to the payment on a sequential basis of the amounts referred to in paragraphs (X) through (AA) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(S) to any Reinvesting Noteholder (whether or not any applicable Reinvesting Noteholder continues on the date of such payment to hold all or any portion of such Subordinated Notes) in the amount of any Reinvestment Amounts contributed and not previously paid pursuant to this paragraph (S); and

(T) (1) if the Incentive Management Fee IRR Threshold has not been reached, any remaining Principal Proceeds to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes and immediately prior to such redemption), until the Incentive Management Fee IRR Threshold is reached; and

(2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date including in accordance with the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, the Incentive Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) 20 per cent. of any remaining Principal Proceeds, to the payment to the Collateral Manager as an Incentive Management Fee;

(b) any value added tax on the fee referred to in paragraph (a) above (whether payable to the Collateral Manager or directly to the relevant tax authority); and

(c) any remaining Principal Proceeds after payment of the Incentive Management Fee and any value added tax thereon pursuant to paragraphs (a) and (b) above, to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

Where the payment of any amount in accordance with the Priorities of Payment set out above is subject to any deduction or withholding for or on account of any tax or any other tax is payable by or on behalf of the Issuer in respect of any such amount, payment of the amounts so deducted or withheld or of the tax so due shall be made to the relevant taxing authority *pari passu* with and, so far as possible, at the same time as the payment of the amount in respect of which the relevant deduction or withholding or other liability to tax has arisen.

(d) Non payment of Amounts

Failure on the part of the Issuer to pay the Interest Amounts on any Class of Notes pursuant to Condition 6 (*Interest*) in accordance with the Priorities of Payments by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not be a Note Event of Default unless and until (i) such failure continues for a period of at least five Business Days (or seven Business Days in the case of an administrative error or omission as described in Condition 10(a)(i) (*Non payment of interest*)) and (ii) in the case of non payment of interest due and payable on (A) the Class F Notes, 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, (B) the Class E Notes, the Class A Notes, the Class B Notes, Class C Notes and the Class D Notes have been redeemed in full, (C) the Class D Notes, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full and (D) the Class C Notes, the Class A Notes and Class B Notes have been redeemed in full, save in each case as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*).

Subject always, in the case of Interest Amounts payable in respect of the Class C Notes, Class D Notes, Class E Notes and Class F Notes to Condition 6(c) (*Deferral of Interes*t) and save as otherwise provided in respect of any unpaid Collateral Management Fees (and value added tax payable in respect thereof), in the event of non payment of any amounts referred to in the Interest Proceeds Priority of Payments or the Principal Proceeds Priority of Payments on any Payment Date, such amounts shall remain due and shall be payable on each subsequent Payment Date in the orders of priority provided for in this Condition 3 (*Status*). References to the amounts referred to in the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments of this Condition 3 (*Status*) shall include any amounts thereof not paid when due in accordance with this Condition 3 (*Status*) on any preceding Payment Date.

(e) Determination and Payment of Amounts

The Collateral Administrator will, in consultation with the Collateral Manager, on each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payments and will notify the Issuer and the Trustee of such amounts. The Account Bank (acting in accordance with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer) shall, on behalf of the Issuer not later than 12.00 noon (London time) on the Business Day preceding each Payment Date, cause the amounts standing to the credit of the Principal Account, the Unused Proceeds Account and if applicable the Interest Account and the Supplemental Reserve

Account (together with, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) De Minimis Amounts

The Collateral Administrator may, in consultation with the Collateral Manager, adjust the amounts required to be applied in payment of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes from time to time pursuant to the Priorities of Payments so that the amount to be so applied in respect of each Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, Class F Note and Subordinated Note is a whole amount, not involving any fraction of 0.01 Euro or, at the discretion of the Collateral Administrator, part of a Euro.

(g) Publication of Amounts

The Collateral Administrator will cause details of the amounts of interest and principal to be paid, and any amounts of interest payable but not paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Irish Stock Exchange by no later than 11.00 am (London time) on the Business Day following the applicable Payment Date and the Registrar shall procure that details of such amounts are notified at the expense of the Issuer to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible after notification thereof to the Registrar in accordance with the above but in no event later than the third Business Day after the last day of the applicable Due Period.

(h) Notifications to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition 3 (*Status*) will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Collateral Manager, the Trustee, the Registrar, the Principal Paying Agent and all Noteholders and (in the absence as referred to above) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise or non exercise by it of its powers, duties and discretions under this Condition 3 (*Status*).

(i) Accounts

The Issuer shall, on or prior to the Issue Date, establish the following accounts with the Account Bank or (as the case may be) with the Custodian:

- the Principal Account;
- the Interest Account;
- the Unused Proceeds Account;
- the Payment Account;
- the Supplemental Reserve Account;
- the Expense Reserve Account;
- the Unfunded Revolver Reserve Account;
- the First Period Reserve Account;
- the Interest Smoothing Account;
- each Counterparty Downgrade Collateral Account;
- the Hedge Account;

- the Currency Accounts; and
- the Custody Account.

The Account Bank and the Custodian shall at all times be a financial institution satisfying the Rating Requirement applicable thereto, which is not resident or which is acting through an office which is not situated, in Ireland but which has the necessary regulatory capacity and licences to perform the services required by it in Ireland. If the Account Bank or the Custodian at any time fails to satisfy the Rating Requirement, the Issuer shall (at the expense of the Account Bank or Custodian, as the case may be) use reasonable endeavours to procure that a replacement Account Bank or Custodian (as applicable) acceptable to the Trustee, which satisfies the Rating Requirement, is appointed in accordance with the provisions of the Agency Agreement.

Amounts standing to the credit of the Accounts (other than the Unfunded Revolver Reserve Account, each Counterparty Downgrade Collateral Account and the Payment Account) from time to time may be invested by the Collateral Manager on behalf of the Issuer in Eligible Investments.

All interest accrued on any of the Accounts (other than each Counterparty Downgrade Collateral Account) from time to time shall be paid into the Interest Account, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All principal amounts received in respect of Eligible Investments standing to the credit of any Account from time to time shall be credited to that Account upon maturity, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All interest accrued on such Eligible Investments (including capitalised interest received upon the sale, maturity or termination of any such investment) shall be paid to the Interest Account as, and to the extent provided, above.

To the extent that any amounts required to be paid into any Account (other than each Counterparty Downgrade Collateral Account) pursuant to the provisions of this Condition 3 (*Status*) are denominated in a currency other than Euro, the Collateral Manager, acting on behalf of the Issuer, may convert such amounts into the currency of the Account at the Spot Rate as determined by the Collateral Administrator.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Expense Reserve Account, (iii) the Supplemental Reserve Account, (iv) all interest accrued on the Accounts, and (v) the Currency Accounts (to the extent required to be paid to a Currency Hedge Counterparty in accordance with these Conditions), (vi) each Counterparty Downgrade Collateral Account (to the extent required to be repaid to a Hedge Counterparty in accordance with these Conditions and the applicable Hedge Agreement) and (vii) the Interest Smoothing Account) shall be transferred to the Payment Account and shall constitute Principal Proceeds on the Business Day prior to any redemption of the Notes in full, and all amounts standing to the credit of each of the Interest Account, the Expense Reserve Account, the Supplemental Reserve Account, the Interest Smoothing Account and all interest accrued on the Accounts (other than each Counterparty Downgrade Collateral Account to the extent required to be repaid to a Hedge Counterparty in accordance with the Conditions and the applicable Hedge Agreement) shall be transferred to the Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Notes in full.

Following the end of the Reinvestment Period, the Issuer (or the Collateral Manager acting on its behalf) may open additional ledgers in the Principal Account to separate payments of Scheduled Principal Proceeds and Unscheduled Principal Proceeds.

(j) Payments to and from the Accounts

(i) Principal Account

The Issuer will procure that the following Principal Proceeds are paid into the Principal Account promptly upon receipt thereof but in each case, if applicable, excluding any Trading Gains which are required to be paid into the Interest Account in accordance with Condition 3(j)(ii)(L) (*Interest Account*) below:

(A) all principal payments received in respect of any Collateral Obligation including, without limitation:

(1) Scheduled Principal Proceeds;

(2) Unscheduled Principal Proceeds; and

(3) any other principal payments with respect to Collateral Obligations or Eligible Investments (to the extent not included in the Sale Proceeds);

but excluding (i) any such payments received in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, to the extent required to be paid into the Unfunded Revolver Reserve Account, (ii) principal proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Accounts and (iii) any such payments received in respect of any Hedge Replacement Receipts or Hedge Counterparty Termination Payments to the extent required to be paid into the Hedge Account;

(B) at the discretion of the Collateral Manager, all amendment and waiver fees, all late payment fees, all commitment fees, syndication fees, delayed compensation and all other fees and commissions received in connection with any Collateral Obligations and Eligible Investments as determined by the Collateral Manager in its reasonable discretion;

(C) all interest and other amounts received in respect of any Defaulted Obligation or any Mezzanine Obligation for so long as it is a Defaulted Obligation or a Defaulted Deferring Mezzanine Obligation (as applicable) (save for Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts) and amounts representing the element of deferred interest in any payments received in respect of any PIK Security;

(D) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Obligation at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Collateral Obligation;

(E) all fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations as determined by the Collateral Manager in its reasonable discretion;

(F) all Sale Proceeds received in respect of a Collateral Obligation;

(G) at the discretion of the Collateral Manager, all Distributions and Sale Proceeds received in respect of Exchanged Equity Securities;

(H) all Collateral Enhancement Obligation Proceeds;

(I) at the discretion of the Collateral Manager, all amounts representing the element of deferred interest in any payments received in respect of any Mezzanine Obligation;

(J) all Purchased Accrued Interest;

(K) amounts transferred to the Principal Account from any other Account as required by this Condition 3(j) (*Payments to and from the Accounts*);

(L) all proceeds received from any additional issuance of the Notes that are not invested in Collateral Obligations or required to be paid into the Interest Account or the Unused Proceeds Account;

(M) all net proceeds of issuance of any Refinancing Obligations issued in accordance with Condition 7(b) (*Optional Redemption*);

(N) all amounts to be transferred to the Principal Account pursuant to paragraph (W) of the Interest Priority of Payments upon the failure to meet the Reinvestment Overcollateralisation Test during the Reinvestment Period;

(O) any other amounts which are not required to be paid into any other Account in accordance with this Condition 3(j) (*Payments to and from the Accounts*); and

(P) all cash payments of principal or interest in respect of any Non-Eligible Issue Date Collateral Obligations or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and that have not been sold by the Collateral Manager, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty in accordance with the Collateral Management and Administration Agreement.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Principal Account:

(1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal Proceeds Priority of Payments, save for: (a) amounts deposited after the end of the related Due Period; and (b) any Principal Proceeds deposited prior to the end of the related Due Period to the extent such Principal Proceeds are permitted to be and have been designated for reinvestment by the Collateral Manager (on behalf of the Issuer) pursuant to the Collateral Management and Administration Agreement for a period beyond such Payment Date, provided that (i) if the Coverage Tests are not satisfied, Principal Proceeds from Defaulted Obligations may not be designated for reinvestment by the Collateral Manager (on behalf of the Issuer) until after the following Payment Date and (ii) no such payment shall be made to the extent that such amounts are not required to be distributed pursuant to the Principal Proceeds Priority of Payments on such Payment Date;

(2) at any time at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations including amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Collateral Obligations which are required to be deposited in the Unfunded Revolver Reserve Account or any amounts payable to a Currency Hedge Counterparty in connection with the acquisition of a Non-Euro Obligation and entry into a related Currency Hedge Transaction;

(3) on any Payment Date during the Reinvestment Period, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement, in payment of the purchase price of any Notes purchased by the Issuer in accordance with Condition 7(m) (*Purchase*);

(4) on any Business Day on which a Refinancing has occurred, all amounts in respect of the proceeds of issuance of any Refinancing Obligations credited to the Principal Amount pursuant to sub-paragraph (M) above in redemption of the relevant Class or Classes of Rated Notes, subject to and in accordance with the applicable paragraphs of Condition 7(b) (*Optional Redemption*); and

(5) 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 will procure that the following Interest Proceeds are paid into the Interest Account promptly upon receipt thereof:

(A) all cash payments of interest in respect of the Collateral Obligations other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty but excluding (i) interest proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Accounts and (ii) any interest received in respect of any Defaulted Obligations and Mezzanine Obligations for so long as they are Defaulted Obligations or

Defaulted Deferring Mezzanine Obligations (as applicable) other than Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts (as applicable);

(B) all interest accrued on the Balance standing to the credit of the Interest Account from time to time and all interest accrued in respect of the Balances standing to the credit of the other Accounts (including interest on any Eligible Investments standing to the credit thereof and excluding any interest standing to the credit of each Counterparty Downgrade Collateral Account), other than any Purchased Accrued Interest in respect of Eligible Investments;

(C) at the discretion of the Collateral Manager, all amendment and waiver fees, all late payment fees, all commitment fees, syndication fees, delayed compensation and all other fees and commissions received in connection with any Collateral Obligations and Eligible Investments as determined by the Collateral Manager in its reasonable discretion (other than fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations which fees and commissions shall be payable into the Principal Account and shall constitute Principal Proceeds), to the extent that such amounts have not already been paid into the Principal Account;

(D) all accrued interest included in the proceeds of sale of any other Collateral Obligation that are designated by the Collateral Manager as Interest Proceeds pursuant to the Collateral Management and Administration Agreement (provided that no such designation may be made in respect of (i) any Purchased Accrued Interest, or (ii) any interest received in respect of (1) any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts or (2) a Defaulted Obligation other than Defaulted Obligation Excess Amounts);

(E) all proceeds received during the related Due Period from any additional issuance of Subordinated Notes that are not reinvested or retained for reinvestment in Collateral Obligations;

(F) at the discretion of the Collateral Manager, all amounts representing the element of deferred interest (other than Purchased Accrued Interest) in any payments received in respect of any Mezzanine Obligation which is not a Defaulted Deferring Mezzanine Obligation and which by its contractual terms provides for the deferral of interest, to the extent that such amounts have not already been paid into the Principal Account;

(G) at the discretion of the Collateral Manager, all Distributions and Sale Proceeds received in respect of Exchanged Equity Securities, to the extent that such amounts have not been paid into the Principal Account;

(H) amounts transferred to the Interest Account from any other Account as required by this Condition 3(j) (*Payments to and from the Accounts*);

(I) all scheduled commitment fees received by the Issuer in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations;

(J) all amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Revolving Obligation or a Delayed Drawdown Collateral Obligation in an account established pursuant to an ancillary facility;

(K) any amounts payable to the Issuer under any Hedge Transaction in respect of interest save for Hedge Counterparty Termination Payments or Hedge Replacement Receipts;

(L) from the date falling on the first anniversary of the Effective Date, any Trading Gains realised in respect of any Collateral Obligation that the Collateral Manager determines shall be paid into the Interest Account in accordance with the following provisions:

if (1) after giving effect to such designation as Interest Proceeds and the distribution thereof in accordance with the Priorities of Payment, (v) the Collateral Principal Amount (for which purposes, the Principal Balance of each Defaulted Obligation shall be the lesser of its S&P

Collateral Value and its Moody's Collateral Value) is greater than or equal to the Reinvestment Target Par Balance, (w) each of the Class E Par Value Test and the Class F Par Value Test are satisfied, (x) the Class F Par Value Ratio is no less than the amount of the Class F Par Value Ratio on the Effective Date, (y) the Moody's Maximum Weighted Average Rating Factor Test is satisfied, and (z) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations and (2) the ratings of the Class A Notes have not been withdrawn or downgraded below their ratings on the Issue Date by either Rating Agency and the ratings of the Class B Notes have not been withdrawn or downgraded by more than one sub category below their ratings on the Issue Date by either Rating Agency, the Collateral Manager may, in its discretion, determine that Trading Gains shall be paid into the Interest Account upon receipt; and

(M) any cash received by the Issuer in respect of Swap Tax Credits.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Interest Account:

(1) on the Business Day prior to each Payment Date, all Interest Proceeds standing to the credit of the Interest Account (other than Swap Tax Credits) shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Interest Proceeds Priority of Payments save for amounts deposited after the end of the related Due Period;

(2) at any time in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations to the extent that any such acquisition costs represent accrued interest or transfer fees;

(3) at any time, to any Hedge Counterparty in payment of any Scheduled Periodic Interest Rate Hedge Issuer Payments;

(4) on any Business Day, at the discretion of the Collateral Manager, the amount of any properly incurred Administrative Expenses which have accrued and become due and payable in an amount in any Due Period not to exceed the Senior Expenses Cap;

(5) at any time, any Swap Tax Credits shall be paid to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement;

(6) on the Business Day following each Determination Date save for (i) the first Determination Date following the Issue Date; (ii) a Determination Date following the occurrence of a Note Event of Default which is continuing; and (iii) the Determination Date immediately prior to any redemption of the Notes in full, any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account.

(iii) Unused Proceeds Account

The Issuer will procure that the following amounts are paid into the Unused Proceeds Account, promptly upon receipt thereof:

(A) an amount equal to the net proceeds of issue of the Notes remaining after (1) the payment of certain fees and expenses due and payable by the Issuer on the Issue Date (2) amounts payable into the Expense Reserve Account and (3) amounts payable into the First Period Reserve Account; and

(B) all proceeds received during the Initial Investment Period from any additional issuance of Notes that are not invested in Collateral Obligations or paid into the Interest Account.

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) on or about the Issue Date, such amounts equal to the aggregate of:

(a) the purchase price for certain Collateral Obligations, if any; and

(b) amounts required for repayment of any amounts borrowed by the Issuer (together with interest thereon) in order to finance the acquisition of certain Collateral Obligations on or prior to the Issue Date;

(2) at any time up to and including the last day of the Initial Investment Period, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations;

(3) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing;

(4) on or after the Effective Date, the Initial Ratings of the Rated Notes having been confirmed (or deemed to have been confirmed in the case of such ratings by Moody's) by each Rating Agency, the Balance standing to the credit of the Unused Proceeds Account, to the Principal Account or the Interest Account, in each case, at the discretion of the Collateral Manager, acting on behalf of the Issuer, provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Obligations, the Aggregate Principal Balance of which equals or exceeds the Target Par Amount (provided that, for the purposes of determining the Aggregate Principal Balance provided above, any repayments or prepayments of Collateral Obligations, to the extent not reinvested in Collateral Obligations, may be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value); and (ii) no more than 1.0 per cent. of the Collateral Principal Amount (provided that, for the purposes of determining the Collateral Principal Amount provided above, the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value) may be transferred to the Interest Account; and

(5) 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 will procure that, on the Business Day prior to each Payment Date, all amounts standing to the credit of each of the Accounts which are required to be transferred from the other accounts to the Payment Account pursuant to Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) are so transferred, and, on such Payment Date, the Collateral Administrator shall cause the Account Bank (acting on the basis of the Payment Date Report), to disburse such amounts in accordance with the Priorities of Payments. No amounts shall be transferred to or withdrawn from the Payment Account at any other time or in any other circumstances.

(v) Counterparty Downgrade Collateral Account

The Issuer will procure that all Counterparty Downgrade Collateral transferred pursuant to a Hedge Agreement shall be deposited in a separate account in respect of each Hedge Counterparty. All Counterparty Downgrade Collateral deposited from time to time in any Counterparty Downgrade Collateral Account shall be held and released pursuant to the terms set out below.

The funds or securities credited to each Counterparty Downgrade Collateral Account and any interest or distributions thereon or liquidation proceeds thereof are held separate from and do not

form part of Principal Proceeds, Interest Proceeds or Collateral Enhancement Obligation Proceeds (other than in the circumstances set out below) and accordingly, are not available to fund general distributions of the Issuer (save as set out below and in the applicable Hedge Agreement).

The Issuer shall procure payment of the following amounts (and shall ensure that no other payments are made, save to the extent required hereunder) out of the relevant Counterparty Downgrade Collateral Account:

(A) prior to the occurrence or designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" (as defined in such Hedge Agreement) entered into under such Hedge Agreement pursuant to which all such "Transactions" under such Hedge Agreement are terminated early, solely in or towards payment or transfer of:

(1) any "Return Amounts" (if applicable and as defined in such Hedge Agreement or the Credit Support Annex thereto);

(2) any "Interest Amounts" and "Distributions" (if applicable and each as defined in such Hedge Agreement or the Credit Support Annex thereto); and

(3) any other return or transfer of collateral or other payment amounts in the nature of interest or distributions in respect of collateral in accordance with the terms of such Hedge Agreement (including without limitation in connection with any permitted novation or other transfer of the Hedge Counterparty's obligations thereunder),

directly to the Hedge Counterparty in accordance with the terms of such Hedge Agreement (including, if applicable, the Credit Support Annex thereto);

(B) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early where (A) an "Event of Default" (as defined in such Hedge Agreement) in respect of the relevant Hedge Counterparty or an "Additional Termination Event" (as defined in such Hedge Agreement) in relation to which the relevant Hedge Counterparty is the sole "Affected Party" (as defined in such Hedge Agreement) has occurred and (B) the Issuer enters into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) *first*, in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Account);

(2) *second*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Account); and

(3) *third*, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account;

(C) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early (A) other than in respect of an "Event of Default" (as defined in such Hedge Agreement) in respect of the relevant Hedge Counterparty and other than in respect of an "Additional Termination Event" (as defined in such Hedge Agreement) in relation to which the relevant Hedge Counterparty is the sole "Affected Party" (as defined in such Hedge Agreement) and where (B) the Issuer enters into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) *first*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Account);

(2) *second*, in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Account); and

(3) *third*, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account,

(D) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early and if the Issuer, or the Collateral Manager on its behalf, determines not to replace such terminated "Transactions" and Rating Agency Confirmation is received in respect of such determination or termination of such "Transactions" occurs on a Redemption Date or if for any reason the Issuer is unable to enter into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(1) *first*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Account); and

(2) *second*, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account.

(vi) Supplemental Reserve Account

The Issuer will procure that the following amounts are paid into the Supplemental Reserve Account promptly upon receipt thereof:

(A) all Supplemental Reserve Amounts to be transferred to the Supplemental Reserve Account pursuant to paragraph (BB) of the Interest Priority of Payments; and

(B) the proceeds of each Reinvestment Amount.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Supplemental Reserve Account:

(1) at any time, to the Principal Account for either (x) during the Reinvestment Period to reinvest in Substitute Collateral Obligations or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payment;

(2) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to the Interest Account for distribution in accordance with the Priorities of Payments;

(3) at any time, in the acquisition of, or in respect of any exercise of any option or warrant comprised in, Collateral Enhancement Obligations, in accordance with the terms of the Collateral Management and Administration Agreement;

(4) at any time during the Reinvestment Period, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to purchase any Rated Notes in accordance with Condition 7(m) (*Purchase*);

(5) if an Effective Date Rating Event has occurred, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment, in redemption of the Rated Notes in accordance with the Note Payment Sequence or, if earlier until an Effective Date Rating Event is no longer continuing; and

(6) the Balance standing to the credit of the Supplemental Reserve Account to the Payment Account for distribution on such Payment Date in accordance with the Principal Proceeds Priority of Payments or the Post-Acceleration Priorities of Payments (as applicable) (1) at

the direction of the Collateral Manager at any time prior to a Note Event of Default or (2) automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*),

each of the foregoing being a "**Permitted Use**".

(vii) The Unfunded Revolver Reserve Account

The Issuer shall procure the following amounts are paid into the Unfunded Revolver Reserve Account promptly upon receipt thereof:

(A) upon the acquisition by or on behalf of the Issuer of any Revolving Obligation or Delayed Drawdown Collateral Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the Unfunded Revolver Reserve Account to be at least equal to (1) the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Collateral Obligation) less (2) the aggregate amount posted as collateral, in each case, pursuant to paragraph 2 below;

(B) all principal payments received by the Issuer in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, if and to the extent that the amount of such principal payments may be re-borrowed under such Revolving Obligation or Delayed Drawdown Collateral Obligation or otherwise by the Collateral Manager, acting on behalf of the Issuer; and

(C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to paragraph (2) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the Unfunded Revolver Reserve Account:

(1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Obligation or Revolving Obligation;

(2) in respect of Delayed Drawdown Collateral Obligations or Revolving Obligations, all amounts required to be deposited in the Issuer's name with any third party which satisfies the Rating Requirement applicable to an Account Bank (or if the third party does not satisfy the Rating Requirement applicable to an Account Bank, subject to receipt of Rating Agency Confirmation) as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation (subject to such security documentation as may be agreed between such lender, the Collateral Manager acting on behalf of the Issuer and the Trustee);

(3) (x) at any time at the direction of the Collateral Manager (acting on behalf of the Issuer) or (y) upon the sale (in whole or in part) of a Revolving Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (a) the amount standing to the credit of the Unfunded Revolver Reserve Account over (b) the sum of the Unfunded Amounts of all Revolving Obligations and Delayed Drawdown Collateral Obligations after taking into account such sale or such reduction, cancellation or expiry of such commitment to the Principal Account; and

(4) all interest accrued on the Balance standing to the credit of the Unfunded Revolver Reserve Account from time to time (including capitalised interest received upon the sale, maturity or termination of any Eligible Investment) to the Interest Account following conversion thereof into Euros to the extent necessary.

(viii) Hedge Account

The Issuer will procure that all Hedge Counterparty Termination Payments and Hedge Replacement Receipts are paid into the relevant Hedge Account promptly upon receipt thereof.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made save to the extent otherwise permitted) out of the relevant Hedge Account in payment as provided below:

(A) at any time, in the case of any Hedge Replacement Receipts paid into the relevant Hedge Account, in payment of any Hedge Issuer Termination Payment due and payable to a Hedge Counterparty under the Hedge Transaction being replaced or to the extent not required to make such payment, in payment of such amount to the Principal Account;

(B) at any time, in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Account, in payment of any Hedge Replacement Payment and any other amounts payable by the Issuer upon entry into a Replacement Hedge Transaction in accordance with the Collateral Management and Administration Agreement; and

(C) in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Account, in the event that:

(1) the Issuer, or the Collateral Manager on its behalf, determines not to replace the Hedge Transaction and Rating Agency Confirmation is received in respect of such determination; or

(2) termination of the Hedge Transaction under which such Hedge Counterparty Termination Payments are payable occurs on a Redemption Date; or

(3) to the extent that such Hedge Counterparty Termination Payments are not required for application towards costs of entry into a Replacement Hedge Transaction,

in payment of such amounts (save for accrued interest thereon) to the Principal Account.

(ix) Currency Accounts

The Issuer will procure that all amounts received in respect of any Non-Euro Obligations to the extent not required to be paid directly to the Interest Account, Principal Account or the Hedge Account (in respect of Hedge Replacement Receipts or Hedge Counterparty Termination Payments) and all initial payments from the Currency Hedge Counterparty in connection with the acquisition of a Non-Euro Obligation and entry into a related Currency Hedge Transaction in each case are paid into the appropriate Currency Accounts in the currency of receipt thereof.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Currency Accounts:

(A) at any time, all amounts payable by the Issuer to the Currency Hedge Counterparty under any Currency Hedge Transaction save for Defaulted Currency Hedge Termination Payments and Hedge Replacement Payments;

(B) at any time all amounts payable by the Issuer, subject to the terms hereof and the Collateral Management and Administration Agreement, in connection with the acquisition of a Non-Euro Obligation; and

(C) the Balance standing to the credit of the Currency Accounts shall be converted into Euros by the Issuer following consultation with the Collateral Manager and transferred to the Principal Account.

(x) Expense Reserve Account

The Issuer shall procure that the following amounts are paid into the Expense Reserve Account promptly upon receipt thereof:

(A) on the Issue Date, an amount determined on the Issue Date for the payment of amounts due or accrued in connection with the issue of the Notes and the entry into the Transaction Documents, in accordance with (1) below; and

(B) any amount applied in payment into the Expense Reserve Account pursuant to paragraph (D) of the Interest Proceeds Priority of Payments.

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Expense Reserve Account:

(1) amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of Notes and the entry into the Transaction Documents;

(2) amounts standing to the credit of the Expense Reserve Account on or after the Determination Date immediately preceding the first Payment Date may be transferred to the Principal Account and/or the Interest Account in the sole discretion of the Issuer (or the Collateral Manager acting on its behalf); and

(3) at any time, the amount of any Trustee Fees and Expenses and Administrative Expenses which have accrued and become payable prior to the immediately following Payment Date, upon receipt of invoices therefor from the relevant creditor, provided that any such payments, in aggregate, shall not cause the balance of the Expense Reserve Account to fall below zero.

(xi) First Period Reserve Account

The Issuer shall procure that on the Issue Date €1,500,000 is paid into the First Period Reserve Account.

The Issuer shall procure that following the Initial Investment Period, all amounts standing to the credit of the First Period Reserve Account (including all interest accrued thereon) shall be transferred to the Payment Account for disbursement pursuant to the Interest Proceeds Priority of Payments.

(xii) Interest Smoothing Account

On the Business Day following each Determination Date save for:

(A) the first Determination Date following the Issue Date;

(B) a Determination Date following the occurrence of a Note Event of Default which is continuing; and

(C) the Determination Date immediately prior to any redemption of the Notes in full,

the Interest Smoothing Amount (if any) 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, the Trust Deed, the Subscription Agreement, the Agency Agreement and the Collateral Management and Administration Agreement (together with the obligations owed by the Issuer to the other Secured Parties) are secured in favour of the Trustee for the benefit of the Secured Parties by:

(i) an assignment by way of security of all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Equity Securities, Exchanged Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than each Counterparty Downgrade Collateral Account) and any other investments (other than Counterparty Downgrade Collateral), in each case held by the Issuer from time to time (where such rights are contractual rights (other than contractual rights the assignment of which would require the consent of a third party or the entry by the Trustee into an intercreditor agreement or deed) and where such contractual rights arise other than under securities), including, without limitation, moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a 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 Collateral Obligations, Equity Securities, Exchanged Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than each Counterparty Downgrade Collateral Account) and any other investments (other than Counterparty Downgrade Collateral), in each case held by the Issuer (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above), 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 (other than each Counterparty Downgrade Collateral Account) and all moneys from time to time standing to the credit of such Accounts (other than each Counterparty Downgrade Collateral Account) and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;

(iv) a charge (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all present and future rights of the Issuer in respect of any Counterparty Downgrade Collateral standing to the credit of any Counterparty Downgrade Collateral Account; including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and over each Counterparty Downgrade Collateral Account and all moneys from time to time standing to the credit of each Counterparty Downgrade Collateral Account and the debts represented thereby, subject, in each case, to the rights of any Hedge Counterparty to Counterparty Downgrade Collateral pursuant to the terms of the relevant Hedge Agreement and these Conditions and any security interest granted by the Issuer to the relevant Hedge Counterparty in relation thereto;

(v) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Agency Agreement (to the extent it relates to the Custody Account) and a first fixed charge over all of the Issuer's right, title and interest in and to the Custody Account (including each cash account relating to the Custody Account) and any cash held therein and the debts represented thereby;

(vi) an assignment by way of security of all the Issuer's present and future rights under each Currency Hedge Agreement and each Interest Rate Hedge Agreement and each Currency Hedge Transaction and Interest Rate Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Currency Hedge Agreement or Interest Rate Hedge Agreement), provided that such assignment by way of security shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the terms thereof;

(vii) an assignment by way of security of all the Issuer's present and future rights under the Collateral Management and Administration Agreement and all sums derived therefrom;

(viii) 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);

(ix) an assignment by way of security of all the Issuer's present and future rights under the Agency Agreement and the Subscription Agreement and all sums derived therefrom;

(x) an assignment by way of security of all the Issuer's present and future rights under the Risk Retention Letter and all sums derived therefrom;

(xi) an assignment by way of security of all the Issuer's present and future rights under the Collateral Acquisition Agreements and all sums derived therefrom;

(xii) an assignment by way of security of all of the Issuer's present and future rights under any other Transaction Document (other than the Issuer Administration Agreement) and all sums derived therefrom; and

(xiii) a floating charge over the whole of the Issuer's undertaking and assets to the extent that such undertaking and assets are not subject to any other security created pursuant to the Trust Deed,

excluding for the purpose of (i) to (xiii) above, (A) the Issuer's rights under the Issuer Administration Agreement; and (B) all 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 to the fullest extent permitted under Irish or any other mandatory law the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together, the "**Trust Collateral**") on trust for the Trustee for the benefit of the Secured Parties and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (provided that, subject to the Conditions and the terms of the Collateral Management and Administration Agreement, if no Note Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust under this paragraph without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

The Issuer may from time to time grant security:

(1) to a Hedge Counterparty over a Counterparty Downgrade Collateral Account and any Counterparty Downgrade Collateral deposited by such Hedge Counterparty in a Counterparty Downgrade Collateral Account as security for the Issuer's obligations to repay or redeem such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement and these Conditions (subject to such security documentation as may be agreed between such third party, the Collateral Manager acting on behalf of the Issuer and the Trustee); and/or

(2) over amounts representing all or part of the Unfunded Amount of any Revolving Obligation or Delayed Drawdown Collateral Obligation and deposited in its name with a third party as security for any reimbursement or indemnification obligation of the Issuer

owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation, subject to the terms of Condition 3(j)(vii) (*The Unfunded Revolver Reserve Account*) (including Rating Agency Confirmation).

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 satisfies the Rating Requirement applicable to it or, in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement custodian. The Trustee has no responsibility for the management of the Portfolio by the Collateral Manager or to supervise the administration of the Portfolio by the Collateral Administrator or by any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

Pursuant to the Euroclear Security Agreement, the Issuer has also created in favour of the Trustee on behalf of the Secured Parties, a Belgian law pledge over the Euroclear Account.

(b) Application of Proceeds upon Enforcement

The Trust Deed provides that the net proceeds of realisation of or enforcement with respect to the security constituted by the Trust Deed and the Euroclear Security Agreement, shall be applied in accordance with the priorities of payment set out in Condition 11 (*Enforcement*).

(c) Limited Recourse and Non-Petition

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payments. Notwithstanding anything to the contrary in these Conditions or any other Transaction Document, if the net proceeds of realisation of the security constituted by the Trust Deed and the Euroclear Security Agreement, 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 Payments. In such circumstances, the other assets (including the Issuer Irish Account and its rights under the Issuer 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, the Subordinated Noteholders and the other Secured Parties in accordance with the Priorities of Payments (applied in reverse order). In such circumstances the rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders of each Class of Notes 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 (or any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed and the Euroclear Security Agreement (including by appointing a receiver or an administrative receiver).

In addition, none of the Noteholders or any of the other Secured Parties shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligations, covenants or agreement entered into or made by the Issuer pursuant to the terms of these Conditions or any other Transaction Document to which the Issuer is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

None of the Trustee, the Directors, the Initial Purchaser, the Collateral Manager or any Agent has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) Acquisition and Sale of Portfolio

The Collateral Manager is required to manage the Portfolio and to act in specific circumstances in relation to the Portfolio on behalf of the Issuer pursuant to the terms of, and subject to the parameters set out in, the Collateral Management and Administration Agreement and subject to the overall supervision and control of the Issuer. The duties of the Collateral Manager with respect to the Portfolio include (amongst others) the use of reasonable endeavours to:

(i) purchase Collateral Obligations on or prior to the Issue Date and during the Initial Investment Period;

(ii) invest the amounts standing to the credit of the Accounts (other than each Counterparty Downgrade Collateral Account, the Unfunded Revolver Reserve Account and the Payment Account) in Eligible Investments; and

(iii) sell certain of the Collateral Obligations and reinvest the Principal Proceeds received in Substitute Collateral Obligations in accordance with the criteria set out in the Collateral Management and Administration Agreement.

The Collateral Manager is required to monitor the Collateral Obligations with a view to seeking to determine whether any Collateral Obligation has converted into, or been exchanged for, an Exchanged Equity Security or Defaulted Obligation, provided that, if it fails to do so, it will not have any liability to the Issuer except by reason of acts constituting fraud, wilful default or negligence in the performance of its obligations. No Noteholder shall have any recourse against any of the Issuer, the Collateral Manager, the Collateral Administrator, the Custodian, the Principal Paying Agent, the Registrar or the Trustee for any loss suffered as a result of such failure.

Under the Collateral Management and Administration Agreement, certain Classes of Notes (other than CM Non-Voting Notes, CM Non-Voting Exchangeable Notes and Collateral Manager Notes) have certain rights in respect of the removal of the Collateral Manager and the appointment of a replacement collateral manager.

(e) Exercise of Rights in Respect of the Portfolio

Pursuant to the Collateral Management and Administration Agreement, the Issuer authorises the Collateral Manager, prior to enforcement of the security over the Collateral, to exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Collateral Manager is authorised, subject to any specific direction given by the Issuer, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any obligations forming part of the Portfolio. The Collateral Manager, at its discretion and to the extent required by the Conditions or the other Transaction Documents, shall reconfirm conformity with Eligibility Criteria and the Reinvestment Criteria of the Collateral Obligation in question.

(f) Information Regarding the Collateral

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is made available within two Business Days of publication, to each Noteholder of each Class upon request in writing therefor (in the form prescribed under the Trust Deed) and that copies of each such Report are

made available to the Trustee, the Collateral Manager, the Initial Purchaser, the Hedge Counterparties and each Rating Agency within two Business Days of publication thereof.

5. Covenants of and Restrictions on the Issuer

(a) Covenants of the Issuer

Unless otherwise provided and as more fully described in the Trust Deed, the Issuer covenants to the Trustee on behalf of the holders of the Notes that, for so long as any Note remains Outstanding, the Issuer will:

(i) take such steps as are reasonable to enforce all its rights:

(A) under the Trust Deed;

(B) in respect of the Collateral;

(C) under the Agency Agreement;

(D) under the Collateral Management and Administration Agreement;

(E) under the Issuer Administration Agreement;

(F) under the Collateral Acquisition Agreements;

(G) under the Risk Retention Letter;

(H) under any Hedge Agreements;

(I) under the Euroclear Security Agreement (if applicable); and

(J) under each other Transaction Document;

(ii) comply with its obligations under the Notes, the Trust Deed, the Agency Agreement, the Collateral Management and Administration Agreement and each other Transaction Document to which it is a party;

(iii) keep proper books of account and books and records (and maintain the same separate from those of any other person or entity);

(iv) prepare financial statements (and maintain the same separate from those of any other person or entity);

(v) at all times maintain its tax residence outside the United Kingdom and the United States and will not establish a branch, agency (other than the appointment of the Collateral Manager and the Collateral Administrator pursuant to the Collateral Management and Administration Agreement) or place of business or register as a company in the United Kingdom or the United States;

(vi) conduct its business and affairs such that, at all times:

(A) it shall maintain its registered office in Ireland;

(B) it shall hold all meetings of its board of directors in Ireland and ensure that all of its directors are resident in Ireland for tax purposes, that they will exercise their control over the business and the Issuer independently and that those directors (acting independently) exercise their authority only from and within Ireland by taking all key decisions relating to the Issuer in Ireland;

(C) it shall not open any office or branch or place of business outside of Ireland;

(D) it shall not knowingly take any action (save to the extent necessary for the Issuer to comply with its obligations under the Transaction Documents) which will cause its "**centre of main interests**" (within the meaning of European Council Regulation No. 1346/2000 on Insolvency

Proceedings (the "**Insolvency Regulations**")), to be located in any jurisdiction other than Ireland and will not establish any offices, branches or other permanent establishments (as defined in the Insolvency Regulations) or register as a company in any jurisdiction other than Ireland;

(vii) pay its debts generally as they fall due;

(viii) maintain adequate capital in light of its contemplated business activities;

(ix) do all such things as are necessary to maintain its corporate existence (including those things required by its memorandum and articles of association);

(x) conduct its business in its own name, hold itself out as a separate entity and correct any misunderstanding of which it is aware regarding its status as a separate entity;

(xi) use its best endeavours to obtain and maintain the listing on the Global Exchange Market of the Irish Stock Exchange of the outstanding Notes of each Class. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listings are agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the holders of the Outstanding Notes of each Class would not thereby be materially prejudiced, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing for such Notes on such other stock exchange(s) as it may (with the approval of the Trustee) decide, provided that such stock exchange is a recognised stock exchange within the meaning of Section 64 of the TCA;

(xii) supply such information to the Rating Agencies as they may reasonably request;

(xiii) ensure that its tax residence is and remains at all times in Ireland;

(xiv) ensure an agent is appointed to assist in creating and maintaining the Issuer's website to enable the Rating Agencies to comply with Rule 17g-5;

(xv) have and use its own stationery, invoices and cheques; and

(xvi) observe and comply with its constitutional documents.

(b) Restrictions on the Issuer

As more fully described in the Trust Deed, for so long as any of the Notes remain Outstanding, save as contemplated in the Transaction Documents, the Issuer covenants to the holders of such Outstanding Notes that (to the extent applicable) it will not, without the prior written consent of the Trustee:

(i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral;

(ii) sell, factor, discount, transfer, assign, lend or otherwise dispose of, nor create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over, any of its other property or assets or any part thereof or interest therein;

(iii) engage in any business other than the holding and managing or both the holding and managing of "qualifying assets" within the meaning of Section 110 of the Taxes Consolidation Act 1997 of Ireland and in connection therewith shall not engage in any business other than:

(A) acquiring and holding any property, assets or rights that are capable of being effectively charged in favour of the Trustee or that are capable of being held on trust by the Issuer in favour of the Trustee under the Trust Deed;

(B) issuing and performing its obligations under the Notes;

(C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency Agreement, the Collateral Management and Administration Agreement and each other Transaction Document to which it is a party, as applicable; or

(D) performing any act incidental to or necessary in connection with any of the above;

(iv) amend any term or Condition of the Notes of any Class;

(v) agree to any amendment to any provision of, or grant any waiver or consent under the Trust Deed, the Agency Agreement, the Collateral Management and Administration Agreement, the Issuer Administration Agreement, or any other Transaction Document to which it is a party;

(vi) incur any indebtedness for borrowed money;

(vii) amend its memorandum and articles of association, other than to permit the Issuer to convert to and comply with its obligations as a designated activity company following the coming into force of the Companies Act 2014 of Ireland;

(viii) have any subsidiaries or establish any offices, branches or other "establishment" (as that term is used in article 2(h) of the Insolvency Regulations) outside of Ireland;

(ix) have any employees (for the avoidance of doubt the Directors of the Issuer do not constitute employees);

(x) enter into any reconstruction, amalgamation, merger or consolidation;

(xi) convey or transfer all or a substantial part of its properties or assets (in one or a series of transactions) to any person;

(xii) issue any shares (other than such shares as are in issue as at the Issue Date) nor redeem or purchase any of its issued share capital;

(xiii) enter into any material agreement or contract with any Person (other than an agreement on customary market terms which for the avoidance of doubt will include agreements to buy and sell obligations and documentation relating to restructurings (including steering committee indemnity letters), which terms do not contain the provisions below) unless such contract or agreement contains "limited recourse" and "non-petition" provisions and such Person agrees that, prior to the date that is two years and one day after all the related obligations of the Issuer have been paid in full (or, if longer, the applicable preference period under applicable insolvency law), such Person shall not take any action or institute any proceeding against the Issuer under any insolvency law applicable to the Issuer or which would reasonably be likely to cause the Issuer to be subject to or seek protection of, any such insolvency law; provided that such Person shall be permitted to become a party to and to participate in any proceeding or action under any such insolvency law that is initiated by any other Person other than one of its Affiliates;

(xiv) release from or terminate the appointment of the Custodian or the Account Bank under the Agency Agreement, the Collateral Manager or the Collateral Administrator under the Collateral Management and Administration Agreement (including, in each case, any transactions entered into thereunder) or, in each case, from any executory obligation thereunder;

(xv) pay any dividends;

(xvi) make any election within the meaning of Section 110(6) of the TCA;

(xvii) take any action which would cause it to cease to be a "qualifying company" within the meaning of Section 110 of the TCA;

(xviii) enter into any transactions, other than those transactions to which Section 110(4) of the Taxes Consolidation Act 1997 of Ireland applies, which take place otherwise than on an arm's length terms and at market rates and, in any case where a number of services are provided to the Issuer by the same service provider (or by a service provider and persons connected with the service provider), the fees paid by the Issuer will be attributed between those services in a reasonable manner, having regard to the respective value and nature of those services;

(xix) enter into any lease in respect of, or own, premises; or

(xx) guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of any other entity.

6. Interest

(a) Payment Dates

(i) Rated Notes

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes each bear interest from (and including) the Issue Date and such interest will be payable (A) in the case of interest accrued during the initial Accrual Period, for the period from (and including) the Issue Date to (but excluding) the Payment Date falling in October 2015, (B) in respect of each six month Accrual Period, semi-annually and (C) in respect of each three month Accrual Period, quarterly, in each case in arrear on each Payment Date.

(ii) Subordinated Notes

Interest shall be payable on the Subordinated Notes to the extent funds are available in accordance with paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (AA) of the Post-Acceleration Priority of Payments on each Payment Date or other relevant payment date and shall continue to be payable in accordance with this Condition 6 (*Interest*) notwithstanding redemption in full of any Subordinated Note at its applicable Redemption Price.

Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of €1 principal amount of each such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of each such Class of Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 principal shall no longer remain Outstanding and each such Class of Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Subordinated Notes but shall only be payable on any Payment Date or other payment date following payment in full of amounts payable pursuant to the Priorities of Payments on such Payment Date or other payment date.

(b) Interest Accrual

(i) Rated Notes

Each Rated Note (or, as the case may be, the relevant part thereof due to be redeemed) will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Rated Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) Subordinated Notes

Payments on the Subordinated Notes will cease to be payable in respect of each Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds remain available for distribution in accordance with the Priorities of Payments.

(c) Deferral of Interest

For so long as they are not the Controlling Class, the Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes in full on any Payment Date, in each case to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payments.

In the case of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, for so long as they are not the Controlling Class, an amount of interest equal to any shortfall in payment of the Interest Amount which would, but for the first paragraph of this Condition 6(c) (*Deferred Interest*) otherwise be due and payable in respect of such Class on any Payment Date (each such amount being referred to as "**Deferred Interest**") will not be payable on such Payment Date, but will be added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable, and thereafter will accrue interest at the rate of interest applicable to that Class, and the failure to pay such Deferred Interest to holders of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable, will not be a Note Event of Default until the Maturity Date or any earlier date of redemption in full of such Class of Notes.

(d) Payment of Deferred Interest

Deferred Interest in respect of any Class C Note, Class D Note, Class E Note or Class F Note shall only become payable by the Issuer in accordance with the relevant paragraphs of the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Post-Acceleration Priority of Payments and under the Note Payment Sequence in each place specified in the Priorities of Payments, to the extent that Interest Proceeds or Principal Proceeds, as applicable, or, where applicable, other net proceeds of enforcement of the security over the Collateral, are available to make such payment in accordance with the Priorities of Payments (and, if applicable, the Note Payment Sequence).

(e) Interest on the Rated Notes

(i) Rate of Interest

The rate of interest from time to time in respect of the Class A Notes (the "**Class A Rate of Interest**"), in respect of the Class B Notes (the "**Class B Rate of Interest**"), in respect of the Class C Notes (the "**Class C Rate of Interest**"), in respect of the Class D Notes (the "**Class D Rate of Interest**"), in respect of the Class E Notes (the "**Class E Rate of Interest**") and in respect of the Class F Notes (the "**Class F Rate of Interest**") (and each a "**Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(A) On each Interest Determination Date,

(1) in the case of the initial Accrual Period, the Calculation Agent will determine a straight line interpolation of the offered rate for 6 and 9 month Euro deposits);

(2) in the case of each Interest Determination Date, other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for three month Euro deposits; and

(3) in the case of each Interest Determination Date following the occurrence of a Frequency Switch Event, the Calculation Agent will determine the offered rate for six month Euro deposits,

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question. Such offered rate will be that which appears on the display designated on the Reuters Screen EURIBOR 01 (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Class A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest, and the Class F Rate of Interest for each Accrual Period shall be the aggregate of the Applicable Margin (as defined below) and the rate which so appears, all as determined by the Calculation Agent;

(B) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) shall be applied, with any necessary consequential changes, to the

arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks in the Euro zone interbank market acting in each case through its principal Euro zone office (the "**Reference Banks**") to provide the Calculation Agent with its offered quotation to leading banks for Euro deposits in the Euro zone interbank market:

(1) in the case of the initial Accrual Period, for a straight line interpolation of the offered quotation for 6 and 9 month Euro deposits);

(2) in respect of each Interest Determination Date, other than the initial Interest Determination Date and prior to the occurrence of a Frequency Switch Event, for a period of three months; and

(3) in respect of each Interest Determination Date following the occurrence of a Frequency Switch Event, for a period of six months,

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question. The Class A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest, and the Class F Rate of Interest for such Accrual Period shall be the aggregate of the Applicable Margin (if any) and the arithmetic mean, in each case, (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of such quotations (or of such of them, being at least two, as are so provided), all as determined by the Calculation Agent;

(C) If on any Interest Determination Date one only or none of the Reference Banks provides such quotation, the Class A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest, and the Class F Rate of Interest, respectively, for the next Accrual Period shall be the Class A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest, and the Class F Rate of Interest in each case in effect as at the immediately preceding Accrual Period, provided that in respect of any Accrual Period during which a Frequency Switch Event occurs, the Class A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest shall be calculated using the offered rate for six month Euro deposits using the rate available as at the previous Interest Determination Date; and

(D) Where:

"**Applicable Margin**" means:

(1) in the case of the Class A Notes: 1.30 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: 3.00 per cent. per annum (the "**Class C Margin**");

(4) in the case of the Class D Notes: 3.65 per cent. per annum (the "**Class D Margin**");

(5) in the case of the Class E Notes: 5.40 per cent. per annum (the "**Class E Margin**"); and

(6) in the case of the Class F Notes: 6.65 per cent. per annum (the "**Class F Margin**").

(E) Notwithstanding paragraphs (A) and (B) above, if, in relation to any Interest Determination Date, EURIBOR 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, such rate shall be deemed to be zero for the purposes of determining the Rate of Interest pursuant to this Condition 6(e)(i) (*Rate of Interest*).

(ii) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent will, as soon as practicable after 11.00 am (Brussels time) on each Interest Determination Date, but in no event later than the Business Day after such date, determine the Class A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest, and the Class F Rate of Interest and calculate the interest amount payable in respect of original principal amounts 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 equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The amount of interest (the "**Interest Amount**") payable in respect of each Authorised Integral Amount applicable to any such Notes shall be calculated by applying the Class A Rate of Interest in the case of the Class A Notes, the Class B Rate of Interest in the case of the Class B Notes, the Class C Rate of Interest in the case of the Class C Notes, the Class D Rate of Interest in the case of the Class D Notes, the Class E Rate of Interest in the case of the Class E Notes and the Class F Rate of Interest in the case of the Class F Notes, respectively, to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, multiplying the product by the actual number of days in the Accrual Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

(iii) 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 Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, Class D Rate of Interest, the Class E Rate of Interest, and the Class F Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (B) of Condition 6(e)(i) (*Rate of Interest*), that the number of Reference Banks required pursuant to such paragraph (B) are appointed.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any Rate of Interest for any Accrual Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(f) Interest Proceeds and Principal Proceeds in respect of Subordinated Notes

Solely in respect of Subordinated Notes, the Calculation Agent will as of each Determination Date calculate the Interest Proceeds and Principal Proceeds payable to the extent of available funds in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The Interest Proceeds and Principal Proceeds payable on each Payment Date in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds and Principal Proceeds to be applied on the Subordinated Notes on the applicable Payment Date pursuant to paragraph (CC) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (AA) of the Post-Acceleration Priority of Payment by fractions equal to the amount of such Authorised Integral Amount, as applicable, divided by the aggregate original principal amount of the Subordinated Notes.

(g) Publication of Rates of Interest, Interest Amounts and Deferred Interest

The Calculation Agent will, at the expense of the Issuer, cause the Class A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest, and the Class F Rate of Interest or the Interest Amounts payable in respect of each Class of Rated Notes, the amount of any Deferred Interest due but not paid on any Class C Notes, Class D Notes, Class E Notes or Class F Notes for each Accrual Period and Payment Date, and following the occurrence of a Frequency Switch Event on any Frequency Switch Measurement 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 Trustee and the Collateral 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 and occurrence of a Frequency Switch Event to be notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Principal Paying Agent but in no event later than the third Business Day after such notification. The Interest Amounts in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes or the Payment Date in respect of any Class so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) Determination or Calculation by Trustee

If the Calculation Agent does not at any time for any reason so calculate the Class A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest, or the Class F Rate of Interest for an Accrual Period, the Trustee (or a person appointed by it for the purpose) shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent and shall be binding on the Noteholders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition 6 (*Interest*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and reliance on such persons as it has appointed for such purpose. The Trustee shall have no liability to any person in connection with any determination or calculation (including with regard to the timelines thereof) it is required to make pursuant to this Condition 6(h) (*Determination or Calculation by Trustee*).

(i) Notifications, etc. to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 (*Interest*), whether by the Reference Banks (or any of them), the Calculation Agent or the Trustee, will (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 and all Noteholders and no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Calculation Agent or the Trustee in connection with the exercise or non exercise by them of their powers, duties and discretions under this Condition 6 (*Interest*).

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 of each Class will be redeemed at their Redemption Price in accordance with the Note Payment Sequence. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) Optional Redemption

(i) Optional Redemption in Whole – Subordinated Noteholders/Collateral Manager

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*) and Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes

may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices, from Sale Proceeds or any Refinancing Proceeds (or a combination thereof):

(A) on any Business Day falling on or after expiry of the Non-Call Period if either (x) the Issuer (as directed by the Subordinated Noteholders (acting by way of Ordinary Resolution)) directs, by a written notice to the Collateral Manager, an optional redemption of the Rated Notes, or (y) a written notice to the Issuer directing an optional redemption of the Rated Notes, in whole but not in part, is sent by the Collateral Manager; or

(B) upon the occurrence of a Collateral Tax Event, on any Business Day falling after such occurrence at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices).

(ii) Optional Redemption in Part – Subordinated Noteholders/Collateral Manager

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*), the Rated Notes of any Class may be redeemed by the Issuer at the applicable Redemption Prices, solely from Refinancing Proceeds (in accordance with Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*) below) on any Business Day falling on or after expiry of the Non-Call Period at the written direction of the Collateral Manager or the Subordinated Noteholders (acting by Ordinary Resolution) as provided in Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*) below. No such Optional Redemption may occur unless any Class of Rated Notes to be redeemed represents the entire Class of such Rated Notes.

(iii) Optional Redemption in Whole – Clean-up Call

Subject to the provisions of Conditions 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes shall be redeemed in whole but not in part by the Issuer, at the applicable Redemption Prices, from Sale Proceeds on any Business Day falling on or after expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Principal Balance is less than 20 per cent. of the Target Par Amount at the written direction of the Collateral Manager, provided that the Subordinated Noteholders shall not have objected to such redemption by way of Ordinary Resolution within 30 days of the Issuer giving notice thereof to the Noteholders in accordance with Condition 16 (*Notices*).

(iv) Terms and Conditions of an Optional Redemption

In connection with any Optional Redemption:

(A) the Issuer shall procure that at least 20 days' prior written notice of such Optional Redemption, including the applicable Redemption Date, and the relevant Redemption Price therefor, is given to the Trustee, each Hedge Counterparty and the Noteholders in accordance with Condition 16 (*Notices*);

(B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices (subject, in the case of an Optional Redemption of the Rated Notes in whole, to the right of holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes). Such right shall be exercised by delivery by each holder of the relevant Class of Rated Notes of a written direction confirming such holder's election to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to it, together with evidence of their holding to the Issuer, the Trustee and the Collateral Manager no later than 30 days (or such shorter period of time as may be agreed by the Trustee and the Collateral Manager, acting reasonably) prior to the relevant Redemption Date;

(C) the Collateral Manager shall have no right or other ability (but without prejudice to its rights in respect of any Subordinated Notes which it or its Affiliates may hold) to prevent an

Optional Redemption directed by the Subordinated Noteholders in accordance with this Condition 7(b) (*Optional Redemption*);

(D) any such redemption must comply with the procedures set out in Condition 7(b)(vii) (*Mechanics of Redemption*); and

(E) any redemption in part of the Rated Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part—Collateral Manager*) may be effected solely from Refinancing Proceeds in accordance with Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*) below.

(v) Optional Redemption effected in Whole or in Part through Refinancing

Following receipt of, or as the case may be, confirmation from the Registrar of receipt of (i) a direction in writing from the Subordinated Noteholders (acting by Ordinary Resolution or Extraordinary Resolution, as the case may be); and/or (ii) a direction in writing from the Collateral Manager, as the case may be, to exercise any right of optional redemption pursuant Condition 7(b)(i) (*Optional Redemption in Whole—Subordinated Noteholders/Collateral Manager*) or Condition 7(b)(ii) (*Optional Redemption in Part—Collateral Manager*), the Issuer may:

(A) in the case of a redemption in whole of all Classes of Rated Notes (1), enter into a loan (as borrower thereunder) with one or more financial institutions; or (2) issue replacement notes; and

(B) in the case of a redemption in part of the entire Class of a Class of Rated Notes, issue replacement notes (each, a "**Refinancing Obligation**"),

whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer (any such refinancing, a "**Refinancing**"). The terms of any Refinancing and the identity of any financial institutions acting as lenders or purchasers thereunder are subject to the prior written consent of the Collateral Manager and the Subordinated Noteholders (acting by Ordinary Resolution) and each Refinancing is required to satisfy the conditions described in this Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*).

Refinancing Proceeds may be applied in addition to (or in place of) Sale Proceeds in the redemption of the Rated Notes in whole pursuant to Condition 7(b)(i) (*Optional Redemption in Whole—Subordinated Noteholders/Collateral Manager*). In addition, Refinancing Proceeds may be applied in the redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part—Collateral Manage*r).

(A) Refinancing in relation to a Redemption in Whole

In the case of a Refinancing in relation to the redemption of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole—Subordinated Noteholders/Collateral Manager*) as described above, such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to each of the Rating Agencies and each Hedge Counterparty;

(2) all Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments and all other available funds will be at least sufficient to pay any Refinancing Costs and all amounts due and payable in respect of all Classes of Notes save for the Subordinated Notes (including without limitation Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payments (subject to any election to receive less than 100 per cent. of Redemption Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments;

(3) all Principal Proceeds, Refinancing Proceeds, Sale Proceeds, if any, and other available funds are used (to the extent necessary) to make such redemption;

(4) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed; and

(5) all Refinancing Proceeds and all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as confirmed to the Issuer and the Trustee by the Collateral Manager.

(B) Refinancing in relation to a Redemption in Part

In the case of a Refinancing in relation to a redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part—Collateral Manager*), such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to each of the Rating Agencies and each Hedge Counterparty;

(2) the Refinancing Obligations are in the form of notes;

(3) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption;

(4) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Proceeds Priority of Payments prior to paying any amount in respect of the Subordinated Notes will be at least sufficient to pay in full:

(a) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption; plus

(b) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing;

(5) the Refinancing Proceeds are used (to the extent necessary) to make such redemption;

(6) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed;

(7) the aggregate principal amount of the Refinancing Obligations for each Class is equal to the aggregate Principal Amount Outstanding of such Class of Notes being redeemed with the Refinancing Proceeds;

(8) the maturity date of each class of Refinancing Obligation is no earlier than the Maturity Date of the Class or Classes of Notes being redeemed with the Refinancing Proceeds, unless (i) Rating Agency Confirmation has been obtained in respect of any proposed maturity date; and (ii) the proposed maturity date is no earlier than the maturity date of each Class of Notes then Outstanding and ranking higher in the Priorities of Payments than the relevant class of Refinancing Obligations;

(9) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption;

(10) payments in respect of the Refinancing Obligations are subject to the Priorities of Payments and rank at the same priority pursuant to the Priorities of Payments as the relevant Class or Classes of Rated Notes being redeemed;

(11) the voting rights, consent rights, redemption rights and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class of Rated Notes being redeemed; and

(12) all Refinancing Proceeds are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as confirmed to the Issuer and the Trustee by the Collateral Manager.

If, in relation to a proposed optional redemption of the Notes, any of the conditions specified in this Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*) are not satisfied, the Issuer shall cancel the relevant redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager, the Rating Agencies and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Collateral Manager, the Collateral Administrator or the Trustee shall be liable to any party, including the Subordinated Noteholders, for any failure to obtain a Refinancing.

(vi) Optional Redemption effected through Liquidation only

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Registrar of (i) a direction in writing from the Subordinated Noteholders (acting by Ordinary Resolution or, as the case may require, Extraordinary Resolution), (ii) a direction in writing from the Controlling Class (acting by Extraordinary Resolution), or (iii) a direction in writing from the Collateral Manager, as the case may be, to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) to be effected solely through the liquidation or realisation of the Collateral, the Collateral Administrator shall, as soon as practicable, and in any event not later than 17 Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**"), provided that the Collateral Administrator has received such notice or confirmation at least 20 Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount in consultation with the Collateral Manager.

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio unless:

(A) at least five Business Days before the scheduled Redemption Date the Collateral Manager shall have furnished to the Trustee a certificate signed by an officer of the Collateral Manager that the Collateral Manager has on behalf of the Issuer entered into a binding agreement or agreements with a financial or other institution or institutions (which (a) either (x) has a long-term issuer credit rating of at least "A-1" by S&P *provided* that it has a short term issuer credit rating of at least "A" 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 a Rating Agency Confirmation from S&P has been obtained and (b) either (x) has a long-term senior unsecured credit rating of at least "A2" by Moody's and a short-term senior unsecured rating of "P-1" by Moody's or, if it does not have a Moody's long-term senior unsecured credit rating, a short-term senior unsecured rating of at least "P-1" by Moody's, or (y) in respect of which a Rating Agency Confirmation from Moody's has been obtained (provided, for the purposes of this clause (y), that a Rating Agency Confirmation cannot be deemed to not be required in these circumstances and must be provided as a positive confirmation)) to purchase (directly or by participation or other arrangement) from the Issuer, not later than the Business Day immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Portfolio at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date, to meet the Redemption Threshold Amount; or

(B) (1) at least two Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par

on or prior to the scheduled Redemption Date, to meet the Redemption Threshold Amount; and

(2) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager confirms to the Trustee that, in its judgment, the aggregate sum of (A) expected net proceeds from the sale of Eligible Investments, and (B) for each Collateral Obligation, the product of its Principal Balance and its Market Value, shall equal or exceed the Redemption Threshold Amount.

Prior to the scheduled Redemption Date, the Collateral Administrator (on behalf of the Issuer) shall give notice to the Trustee in writing of the amount of all expenses incurred by the Issuer up to and including the scheduled Redemption Date in effecting such liquidation or realisation.

Any confirmation delivered by the Collateral Manager pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*) must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Obligations and/or Eligible Investments and (2) all calculations required by this Condition 7(b) (*Optional Redemption*). Any Noteholder, the Collateral Manager or any of the Collateral Manager's Affiliates shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Obligations to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

If any of the conditions (A) or (B) above are not satisfied, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager and the Noteholders in accordance with Condition 16 (*Notices*).

The Trustee shall rely conclusively and without further enquiry or liability on any confirmation or certificate of the Collateral Manager furnished by it pursuant to or in connection with this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

(vii) Mechanics of Redemption

Following calculation by the Collateral Administrator of the relevant Redemption Threshold Amount, if applicable, the Collateral Administrator shall make such other calculations as it is required to make pursuant to the Collateral Management and Administration Agreement and shall notify the Issuer, the Trustee, the Collateral Manager and the Registrar, whereupon the Registrar shall notify the Noteholders (in accordance with Condition 16 (*Notices*)) of such amounts.

Any exercise of a right of Optional Redemption by the Subordinated Noteholders pursuant to this Condition 7(b) (*Optional Redemption*) or the Controlling Class or the Subordinated Noteholders pursuant to Condition 7(g) (*Redemption following Note Tax Event*) shall be effected by delivery to the Registrar, by the requisite amount of Subordinated Noteholders or the requisite amount of Notes comprising the Controlling Class (as applicable) held thereby of duly completed Redemption Notices not less than 30 days, or such shorter period of time as the Trustee and the Collateral Manager find reasonably acceptable, prior to the proposed Redemption Date. No Redemption Notice so delivered or any direction given by the Collateral Manager may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Collateral Manager received to each of the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager.

The Collateral Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and the Registrar upon satisfaction of any of the conditions set out in this Condition 7(b) (*Optional Redemption*) and shall use commercially reasonable endeavours to arrange for liquidation and/or realisation of the Portfolio in whole or in part as necessary, on behalf of the Issuer in accordance with the Collateral Management and Administration Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with this Condition 7(b) (*Optional Redemption*) and/or Condition 7(g) (*Redemption following Note Tax Event*) in the Payment Account on or before the Business Day prior to the applicable Redemption Date. Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of the Rated Notes shall be payable in accordance with the

Post-Acceleration Priority of Payments. In the case of any redemption in whole of a Class of Rated Notes (other than a redemption in whole of all Classes of Rated Notes), the relevant Refinancing Proceeds shall be paid to the Noteholders of such Class of Rated Notes.

(viii) Optional Redemption of Subordinated Notes

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

(c) Mandatory Redemption upon Breach of Coverage Tests

(i) Class A Notes and Class B Notes

If the Class A/B Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class A/B Interest Coverage Test is not met on the Determination Date immediately preceding the third Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes and the Class B Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption, 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 the Class C Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class C Interest Coverage Test is not met on the Determination Date immediately preceding the third Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes and the Class C Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated 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 the Class D Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class D Interest Coverage Test is not met on the Determination Date immediately preceding the third Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated 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 on or after the Effective Date or if the Class E Interest Coverage Test is not met on the Determination Date immediately preceding the third Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption, provided that the Class E Coverage Tests 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 on or after the Effective Date then on the related Payment Date:

(1) firstly, Interest Proceeds will be applied in redemption of the Class F Notes on the related Payment Date in accordance with and subject to the Interest Proceeds Priority of Payments (including payment of all prior ranking amounts) until the Class F Par Value Test is satisfied if recalculated following such redemption; and

(2) secondly, if Interest Proceeds applied in redemption of the Class F Notes in accordance with (1) above are insufficient to cause the Class F Par Value Test to be satisfied, Principal Proceeds shall be used to redeem the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in accordance with the Note Payment Sequence and subject to the Principal Proceeds Priority of Payments (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 Rated Notes have been redeemed in full.

(d) Special Redemption

Principal payments on the Notes shall be made in accordance with the Principal Proceeds Priority of Payments at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer) if, at any time during the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) notifies the Trustee (upon which notification the Trustee shall rely absolutely and without further enquiry or liability) that it has been unable, for a period of 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager (acting on behalf of the Issuer) in its sole discretion which meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria, in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account that are to be invested in additional Collateral Obligations (a "**Special Redemption**"). On the first Payment Date following the Due Period in which such notice is given (a "**Special Redemption Date**"), the funds in the Principal Account representing Principal Proceeds which, using reasonable endeavours, cannot be reinvested in additional Collateral Obligations or Substitute Collateral Obligations as determined by the Collateral Manager in its sole discretion (the "**Special Redemption Amount**") will be applied in accordance with paragraph (O) of the Principal Proceeds Priority of Payments. Notice of payments pursuant to this Condition 7(d) (*Special Redemption*) shall be given by the Issuer in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to each Noteholder affected thereby, to each Hedge Counterparty and to each Rating Agency. For the avoidance of doubt, the exercise of a Special Redemption shall be at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer) and the Collateral Manager shall be under no obligation to, or have any responsibility for, any Noteholder or any other person for the exercise or non exercise (as applicable) of such Special Redemption.

(e) Redemption upon Effective Date Rating Event

In the event that as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds, in each case and, thereafter, out of Principal Proceeds subject to the Priorities of Payments until redeemed in full or, if earlier, until an Effective Date Rating Event is no longer continuing.

(f) Redemption following Expiry of the Reinvestment Period

Following expiry of the Reinvestment Period, the Issuer shall, on each Payment Date occurring thereafter, apply Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date in redemption of the Notes at their applicable Redemption Prices in accordance with the Priorities of Payments.

(g) Redemption following Note Tax Event

Upon the occurrence of a Note Tax Event, the Issuer shall, subject to and in accordance with the terms of the Trust Deed, use all reasonable efforts to change the territory in which it is resident for tax purposes to another jurisdiction which, at the time of such change, would not give rise to a Note Tax Event. Upon the earlier of (a) the date upon which the Issuer certifies to the Trustee (upon which notification the Trustee shall rely absolutely and without further enquiry or liability) and notifies (or procures the notification of) the Principal Paying Agent and the Noteholders that it is not able to effect such change of residence and (b) the date which is 90 days from the date upon which the Issuer first becomes aware of such Note Tax Event (provided that such 90 day period shall be extended by a further 90 days in the event that during the former period the Issuer has notified (or procured the notification of) the Trustee and the Noteholders that, based on advice received by it, it expects that it shall have changed its place of residence by the end of the latter 90 day period), the Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, may elect that the Notes of each Class are redeemed, in whole but not in part, on any Business Day thereafter, at their respective Redemption Prices in accordance with the Note Payment Sequence, in which case the Issuer shall so redeem the Notes on such terms, provided that such Note Tax Event would affect payment of principal or interest in respect of the Controlling Class or, as the case may be, the Subordinated Notes (in addition to any other Class of Notes) on such Payment Date; provided further that such redemption of the Notes, whether pursuant to the exercise of such option by the Controlling Class or the Subordinated Noteholders, shall take place in accordance with the procedures set out in Condition 7(b) (*Optional Redemption*).

(h) Redemption

Unless otherwise specified in this Condition 7 (*Redemption and Purchase*), all Notes in respect of which any notice of redemption is given shall be redeemed on the Redemption Date at their applicable Redemption Prices and to the extent specified in such notice and in accordance with the requirements of this Condition 7 (*Redemption and Purchase*).

(i) Cancellation and Purchase

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein, for cancellation pursuant to Condition 7 (m) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Notes mutilated, defaced or deemed lost or stolen.

(j) Notice of Redemption

The Issuer shall procure that notice of any redemption in accordance with this Condition 7 (*Redemption and Purchase*) (which notice shall be irrevocable) is given to the Trustee and Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies and each Hedge Counterparty.

(k) Reinvestment Overcollateralisation Test

During the Reinvestment Period, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement, the Issuer may redeem the Notes upon a failure of the Reinvestment Overcollateralisation Test subject to and in accordance with the Priorities of Payment.

(l) Reinvesting Noteholders

At any time during the Reinvestment Period, any holder of Subordinated Notes may notify the Issuer, the Trustee and the Collateral Manager that it proposes to make a cash contribution to the Issuer (each proposed contribution described above, a "**Reinvestment Amount**"). The Collateral Manager, in consultation with the applicable holder of Subordinated Notes (but in the Collateral Manager's sole discretion), will determine (A) whether to accept any proposed Reinvestment Amount and (B) the Permitted Use to which such proposed Reinvestment Amount would be applied. The Collateral Manager will provide written notice of such determination to the applicable Reinvesting Noteholder(s)

thereof and such Reinvestment Amount will be accepted by the Issuer. If such Reinvestment Amount is accepted by the Collateral Manager, it will be paid by the relevant Reinvesting Noteholder and deposited by the Issuer into the Supplemental Reserve Account and applied to a Permitted Use determined by the Collateral Manager. Any amount so deposited shall not earn interest and shall not increase the principal balance of the related Subordinated Notes. Reinvestment Amounts will be paid to any applicable Reinvesting Noteholder on the first subsequent Payment Date Principal Proceeds are available therefor as provided in the Principal Proceeds Priority of Payments or that Interest Proceeds and Principal Proceeds are available therefor as provided in the Post-Acceleration Priority of Payments, as applicable.

(m) Purchase

On any Payment Date during the Reinvestment Period, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using Principal Proceeds standing to the credit of the Principal Account or the Supplemental Reserve Account.

No purchase of Rated Notes by the Issuer may occur unless each of the following conditions is satisfied:

(A) such purchase of Rated Notes shall occur in the following sequential order of priority: first, the Class A Notes, until the Class A Notes are redeemed in full and cancelled; second, the Class B Notes, until the Class B Notes are redeemed in full and cancelled; third, the Class C Notes, until the Class C Notes are redeemed in full and cancelled; fourth, the Class D Notes, until the Class D Notes are redeemed in full and cancelled; fifth, the Class E Notes, until the Class E Notes are redeemed in full and cancelled; and sixth, the Class F Notes, until the Class F Notes are redeemed in full and cancelled;

(B) each such purchase of Rated Notes of any Class shall be made pursuant to an offer made to all holders of the Rated Notes of such Class, by notice to such holders, which notice shall specify the purchase price (as a percentage of par) at which such purchase will be effected, the maximum amount of Principal Proceeds and Supplemental Reserve Amounts that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;

(C) each such holder of a Rated Note shall have the right, but not the obligation, to accept such offer in accordance with its terms;

(D) if the aggregate Principal Amount Outstanding of Notes of the relevant Class held by holders who accept such offer exceeds the amount of Principal Proceeds specified in such offer, a portion of the Notes of each accepting holder shall be purchased *pro rata* based on the respective Principal Amount Outstanding held by each such holder subject to adjustment for Authorised Denominations if required;

(E) each such purchase shall be effected only at prices discounted from par;

(F) each such purchase of Rated Notes shall occur prior to the expiry of the Reinvestment Period;

(G) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase or, if any Coverage Test is not satisfied it shall be at least maintained or improved after giving effect to such purchase compared with what it was immediately prior thereto;

(H) if Sale Proceeds are used to consummate any such purchase, either:

(1) each requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests (other than the S&P CDO Monitor Test) will be satisfied after giving effect to such purchase; or

(2) if any requirement or test, as the case may be, of the Portfolio Profile Tests or the Collateral Quality Tests (other than the S&P CDO Monitor Test) was not satisfied

immediately prior to such purchase, such requirement or test will be maintained or improved after giving effect to such purchase;

(I) no Note Event of Default shall have occurred and be continuing;

(J) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold;

(K) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of Ireland); and

(L) each Rating Agency is notified of such purchase.

Upon instruction by the Issuer, the Registrar shall cancel any such purchased Rated Notes surrendered to it for cancellation. The cancellation (and/or decrease, as applicable) of any such surrendered Rated Notes shall be taken into account for purposes of all relevant calculations.

8. Payments

(a) Method of Payment

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of the Principal Paying Agent or any Paying Agent by wire transfer. Payments of interest on each Note and, prior to redemption in full thereof, principal in respect of each Note, will be made by wire transfer 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 commission shall be charged to the Noteholders.

(c) Payments on Presentation Days

A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date falls after the due date.

If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.

(d) Principal Paying Agent

The name of the initial Principal Paying Agent and its initial specified office is set out below. The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent and appoint additional or other Agents, provided that it will maintain (i) a Principal Paying Agent and (ii) a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, in each case, as approved in writing by the Trustee and shall procure that it shall at all times maintain a Custodian, Account Bank, Collateral Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Collateral Manager or Collateral Administrator will promptly be given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

9. Taxation

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland or any other country, or any political sub-division or any authority therein or thereof, unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders of any Class and shall withhold or deduct from any such payments any amounts on account of such tax where so required by law (including FATCA) or any such relevant taxing authority. Any withholding or deduction shall not constitute a Note Event of Default under Condition 10(a) (*Note Events of Default*).

Subject as provided below, if the Issuer satisfies the Trustee that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by the laws of Ireland to withhold or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (with the consent of the Trustee and save as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved by the Trustee as the principal obligor under the Notes of such Class, or to change its tax residence to another jurisdiction approved by the Trustee, subject to receipt of Rating Agency Confirmation in relation to such change. The Trustee will not approve any such substitution 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 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 material adverse effect on the tax treatment of the Issuer or the tax consequences to the Noteholders.

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 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 Paying Agent in a member state of the European Union;

(e) in connection with a withholding or deduction for or on account of FATCA or as a result of a Noteholder's failure to provide the Issuer with appropriate tax forms and other documentation reasonably requested by the Issuer; or

(f) any combination of the preceding clauses (a) through (e) inclusive,

the requirement to substitute the Issuer as a principal obligor and/or change its residence for taxation purposes shall not apply.

Any withholding or deduction required from amounts payable by the Issuer pursuant to this Condition 9 (*Taxation*) shall be deemed to be included in the same paragraph in the Priorities of

Payment as the paragraph which contains the payment in respect of which such withholding or deduction is required to be made.

10. Events of Default

(a) Note Events of Default

Any of the following events in this paragraph (a)(i) to (viii) shall constitute a "**Note Event of Default**":

(i) Non payment of interest

the Issuer fails to pay any interest in respect of the Class A Notes, when the same becomes due and payable or, the Issuer fails to pay any interest in respect of any Class B Note when the same becomes due and payable or, following redemption and payment in full of the Class A Notes and the Class B Notes, the Issuer fails to pay any interest in respect of any Class C Note when the same becomes due and payable, or, following redemption and payment in full of the Class C Notes, the Issuer fails to pay any interest in respect of any Class D Note when the same becomes due and payable, or, following redemption and payment in full of the Class D Notes, the Issuer fails to pay any interest in respect of any Class E Note when the same becomes due and payable, or, following redemption and payment in full of the Class E Notes, the Issuer fails to pay any interest in respect of any Class F Note when the same becomes due and payable and, in each case, failure to pay such interest in such circumstances continues for a period of at least five Business Days provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least seven Business Days after the Trustee receives written notice of, or has actual knowledge of, such administrative error or omission; provided further, that the failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with these Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute a Note Event of Default;

(ii) Non payment of principal

the Issuer fails to pay any principal when the same becomes due and payable on any Notes on the Maturity Date or any Redemption Date provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least seven Business Days after the Trustee receives written notice of, or has actual knowledge of, such administrative error or omission and provided further that, failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with the Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute a Note Event of Default;

(iii) Default under Priorities of Payments

the failure on any Payment Date to disburse amounts (other than (i) or (ii) above) available in the Payment Account in excess of €1,000 and payable in accordance with the Priorities of Payments and continuation of such failure for a period of five Business Days or, in the case of a failure to disburse due to an administrative error or omission, such failure continues for ten Business Days after the Trustee receives written notice of, or has actual knowledge of, such administrative error or omission;

(iv) Collateral Obligations

on any Measurement Date after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to (1) the Collateral Principal Amount plus (2) the aggregate of the product of the Market Value of each Defaulted Obligation on such date and its outstanding principal balance and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A Notes, to equal or exceed 102.50 per cent.;

(v) Breach of Other Obligations

except as otherwise provided in this definition of "**Note Event of Default**", a default in a material respect in the performance by, or breach in a material respect of any material covenant of, the Issuer under the Trust Deed (provided that any failure to meet any Portfolio Profile Test, Collateral

Quality Test or Coverage Test or the Reinvestment Overcollateralisation Test is not a Note Event of Default and any failure to satisfy the Effective Date Determination Requirements is not a Note Event of Default, except in either case to the extent provided in paragraph (iv) above) or the failure of any material representation or warranty of the Issuer made in the Trust Deed or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 45 days after notice to the Issuer and the Collateral Manager by registered or certified mail or courier, from the Trustee or the Controlling Class acting pursuant to an Ordinary Resolution, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Trust Deed; provided that if the Issuer (as notified to the Trustee by the Collateral Manager in writing) has commenced curing such default, breach or failure during the 45 day period specified above, such default, breach or failure shall not constitute a Note Event of Default under this paragraph (v) unless it continues for a period of 60 days (rather than, and not in addition to, such 45 day period specified above) after notice thereof in accordance herewith. For the purposes of this paragraph, the materiality of such default, breach, representation or warranty shall be determined by the Trustee;

(vi) Insolvency Proceedings

proceedings are initiated against the Issuer under any applicable liquidation, examinership, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, examiner, curator or other similar official (a "**Receiver**") is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer and in any of the foregoing cases, except in relation to the appointment of a Receiver, is not discharged within 30 days; or the Issuer is subject to, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Controlling Class);

(vii) Illegality

it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes; or

(viii) Investment Company Act

the Issuer or the pool of Collateral becomes required to register as an investment company under the Investment Company Act and such requirement continues for 45 days.

(b) Acceleration

(i) If a Note Event of Default occurs and is continuing, the Trustee may, at its discretion and shall, at the request of the Controlling Class acting by way of Extraordinary Resolution, (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) give notice to the Issuer and the Collateral Manager that all the Notes are immediately due and repayable (such notice, an "**Acceleration Notice**"), provided that following a Note Event of Default described in paragraph (vi) of the definition thereof shall occur, an Acceleration Notice shall be deemed to have been given and all the Notes shall automatically become immediately due and payable.

(ii) Upon any such notice being given to the Issuer in accordance with Condition 10(b)(i) (*Acceleration*), all of the Notes shall immediately become due and repayable at their applicable Redemption Prices.

(c) Curing of Default

At any time after a notice of acceleration of maturity of the Notes has been given pursuant to Condition 10(b)(i) (*Acceleration*) following the occurrence of a Note Event of Default (other than with respect to a Note Event of Default occurring under paragraph (vi) of the definition thereof where

delivery of an Acceleration Notice is not required and shall be deemed to have been given) and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee, subject to receipt of consent from the Controlling Class, may and shall, if so requested by the Controlling Class, in each case, acting by Extraordinary Resolution, (and subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) rescind and annul such notice of acceleration under paragraph (b)(i) above and its consequences if:

(i) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(A) all overdue payments of interest and principal on the Notes, other than the Subordinated Notes;

(B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee;

(C) all unpaid Administrative Expenses and all unpaid Trustee Fees and Expenses; and

(D) all amounts due and payable by the Issuer under any Currency Hedge Agreement or Interest Rate Hedge Agreement; and

(ii) the Trustee has determined that all Note Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under paragraph (b) above due to such Note Events of Default, have been cured or waived.

Any previous rescission and annulment of a notice of acceleration pursuant to this Condition 10(c) (*Curing of Defaul*t) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or, as subsequently requested, accelerates the Notes or if the Notes are automatically accelerated in accordance with paragraph (b)(i) above.

All amounts received in respect of this Condition 10(c) (*Curing of Default*) shall be distributed five Business Days following receipt by the Trustee from the Issuer of such amounts, in accordance with the Post-Acceleration Priority of Payments.

(d) Restriction on Acceleration

No acceleration of the Notes shall be permitted by any Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(e) Notification and Confirmation of No Default

The Issuer shall immediately notify the Trustee, the Collateral Manager, the Noteholders in accordance with Condition 16 (*Notices*) and the Rating Agencies upon becoming aware of the occurrence of a Note Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis that no Note Event of Default has occurred and that no condition, event or act has occurred which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition could constitute a Note Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

(f) Collateral Manager Events of Default

Any of the following events in this paragraph (f)(i) to (viii) shall constitute a "**Collateral Manager Event of Default**":

(i) the Collateral Manager shall wilfully and intentionally violate or breach any material provision of the Collateral Management and Administration Agreement or the Trust Deed in bad faith (not including a wilful and intentional breach that results from a good faith dispute regarding reasonable alternative courses of action or interpretation of instructions);

(ii) the Collateral Manager shall breach any provision of the Collateral Management and Administration Agreement or any terms of the Trust Deed (other than as covered by clause (i) and it being understood that failure to meet any Portfolio Profile Test, Collateral Quality Test, Reinvestment Overcollateralisation Test or Coverage Test is not a breach for purposes of this clause (ii)), 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 Collateral Manager receiving notice of such breach, unless, if such breach is remediable, the Collateral Manager has taken action that the Collateral Manager believes in good faith will remedy such failure, and such action does remedy such failure, within 60 days after a Responsible Officer receives notice thereof;

(iii) the failure of any representation, warranty, certification or statement made or delivered by the Collateral Manager in or pursuant to the Collateral Management and Administration Agreement or the Trust Deed to be correct in any material respect when made which failure (i) would reasonably be expected to have a material adverse effect on the Issuer, and (ii) is not corrected by the Collateral Manager within 45 days of a Responsible Officer of the Collateral Manager receiving notice of such failure;

(iv) the Collateral Manager is wound up or dissolved or there is appointed over it or a substantial part of its assets a receiver, administrator, administrative receiver or similar officer; or the Collateral Manager (i) ceases to be able to, or admits in writing that it is unable to pay its debts as they become due and payable, or makes a general assignment for the benefit of, or enters into any composition or arrangement with, its creditors generally by reason of actual financial difficulties; (ii) applies for or consents (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, administrator, liquidator or sequestrator of the Collateral Manager or of any substantial part of its properties or assets, or authorises such an application or consent, or proceedings seeking such appointment are commenced against the Collateral Manager without such authorisation, consent or application and either continue undismissed for 60 days or any such appointment is ordered by a court or regulatory body having jurisdiction; (iii) authorises or files a voluntary petition in bankruptcy, or applies for or consents (by admission of a petition or otherwise) to the application of any bankruptcy, insolvency, dissolution, or similar law, or authorises such application or consent, or proceedings to such end are instituted against the Collateral Manager without such authorisation, application or consent and remain undismissed for 60 days and in any case result in adjudication of bankruptcy or insolvency or the issuance of an order for relief; or (iv) permits or suffers all or any substantial part of its properties or assets to be sequestered or attached by court order and the order (if contested in good faith) remains undismissed for 60 days (each such event, a "**Collateral Manager Insolvency Event**");

(v) the occurrence and continuation of a Note Event of Default specified under clause (i) or (ii) of the definition of such term that results directly from any material breach by the Collateral Manager of its duties under the Collateral Management and Administration Agreement or under the Trust Deed which breach or default is not cured within any applicable cure period;

(vi) (i) the occurrence of an act by the Collateral Manager that constitutes fraud or criminal activity in the performance of its obligations under the Collateral Management and Administration Agreement or its other collateral management activities (as determined pursuant to a final adjudication by a court of competent jurisdiction) or the Collateral Manager being charged with a criminal offence materially related to its business of providing asset management services or (ii) any Responsible Officer of the Collateral Manager primarily responsible for the performance by the Collateral Manager of its obligations under the Collateral Management and Administration Agreement (in the performance of his or her investment management duties) is charged with a criminal offence materially related to the business of the Collateral Manager providing asset management services and continues to have responsibility for the performance by the Collateral Manager under the Collateral Management and Administration Agreement for a period of 30 days after such being so charged;

(vii) while Spire Partners LLP is the Collateral Manager, any two of Jonathan Russell, Oliver Drummond Smith or Philip Bennett-Britton (including for the avoidance of doubt, any replacement for such Key Persons replaced pursuant to the terms of the Collateral Management and Administration Agreement, each a "**Key Person**" and together the "**Key Persons**") cease to spend substantial time involved in the managerial activities of the Collateral Manager relevant to

the Issuer under the Collateral Management and Administration Agreement (including being a member of the investment committee of the Collateral Manager) (the "**Key Person Trigger**") and the Collateral Manager fails to replace such Key Person(s) by either (i) an existing professional staff member or officer of the Collateral Manager or any of its Affiliates as a replacement for such Key Person or (ii) a suitably qualified professional who has been hired with broadly comparable experience of the Key Person so ceasing to spend substantial time involved in the managerial activities of the Collateral Manager which has been approved by the holders of the Subordinated Notes acting by Ordinary Resolution within 30 Business Days (or such longer period as may be agreed to by the Subordinated Noteholders acting by Ordinary Resolution) of the occurrence of the Key Person Trigger (such event, a "**Key Person Event**"); or

(viii) the Collateral Manager resigning pursuant to the terms of the Collateral Management and Administration Agreement.

Pursuant to the terms of the Collateral Management and Administration Agreement:

(A) upon the occurrence of a Collateral Manager Event of Default (other than pursuant to paragraph (viii) of the definition thereof), the Collateral Management and Administration Agreement may be terminated, and the Collateral Manager may be removed (i) at the Issuer's discretion; (ii) at the direction of the Controlling Class acting by Extraordinary Resolution; or (iii) (x) in the case of a Key Person Event or a Collateral Manager Insolvency Event, at the direction of the Subordinated Noteholders acting by Ordinary Resolution and (y) in the case of any Collateral Manager Event of Default other than a Key Person Event or a Collateral Manager Insolvency Event, at the direction of the Subordinated Noteholders acting by Extraordinary Resolution (in each case, excluding any CM Non-Voting Exchangeable Notes, CM Non-Voting Notes and Collateral Manager Notes), upon 30 Business Days' prior written notice to the Collateral Manager, the Trustee, each Hedge Counterparty and each Rating Agency; and

(B) upon the occurrence of a removal or resignation of the Collateral Manager following a Collateral Manager Event of Default, the Controlling Class and the Subordinated Noteholders will have certain rights with respect to the appointment of a successor collateral manager, as more fully described in the Collateral Management and Administration Agreement.

The Issuer acknowledges that the rights of the holders of Rated Notes to participate in the selection or removal of the Collateral Manager following a Collateral Manager Event of Default, as described above, are the rights of a creditor to exercise remedies upon the occurrence of an event of default.

11. Enforcement

(a) Security Becoming Enforceable

Subject as provided in paragraph (b) below, the security constituted by the Trust Deed over the Collateral (and if applicable, the security constituted by the Euroclear Security Agreement over the Collateral) shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*).

(b) Enforcement

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion (but subject always to Condition 4(c) (*Limited Recourse and Non-Petition*)), and shall, if so directed by the Controlling Class acting by Extraordinary Resolution (subject as provided in Condition 11(b)(ii) (*Enforcement*)), institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Euroclear Security Agreement and the Notes and pursuant and subject to the terms of the Trust Deed, the Euroclear Security Agreement and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such other action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce the security over the Collateral in accordance with the Trust Deed (such actions together, "**Enforcement Actions**"), in each case without any liability as to the consequence of such action and without having regard (save to the extent

provided in Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)) to the effect of such action on individual Noteholders of any Class or any other Secured Party provided however that:

(i) no such Enforcement Action may be taken by the Trustee unless:

(A) it determines that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith) would be sufficient to (1) discharge in full all amounts due and payable in respect of all Classes of 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 to the Subordinated Notes pursuant to the Post-Acceleration Priority of Payments, and (2) pay an additional amount equal to 5 per cent. of the aggregate of the amounts set forth in (1) above (such amount the "**Enforcement Threshold**" and such determination being an "**Enforcement Threshold Determination**") and the Requisite Majority of the Controlling Class agrees with such determination by a Written Resolution, subject to such consultation by the Trustee with the Collateral Manager as the Trustee considers reasonably practicable, provided that the Trustee shall always consult the Collateral Manager (in which case the Enforcement Threshold will be met); or

(B) if the Enforcement Threshold will not have been met then:

(1) in the case of a Note Event of Default specified in sub-paragraph (i), (ii) or (iv) of Condition 10(a) (*Note Events of Default*), the Controlling Class directs the Trustee, by Extraordinary Resolution, to take Enforcement Action without regard to any other Note Event of Default which has occurred prior to, contemporaneously or subsequent to such Note Event of Default; or

(2) in the case of any other Note Event of Default, the Requisite Majority of the Noteholders of each Class of Rated Notes acting by Written Resolution separately by Class directs the Trustee to take Enforcement Action;

(ii) the Trustee shall not be bound to institute any Enforcement Action or take any other action unless it is directed to do so by the Controlling Class acting by Extraordinary Resolution and, in the case of Condition 11(b)(i)(B)(2) (*Enforcement*), the Requisite Majority of each Class of Rated Notes, acting by Written Resolution, in each case so direct the Trustee and, in each case, the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which may be incurred by it in connection therewith. Following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which may be incurred by it in connection therewith) act upon the directions of the Subordinated Noteholders acting by Extraordinary Resolution; and

(iii) the Trustee shall use reasonable efforts to determine the aggregate proceeds that can be realised pursuant to any Enforcement Action. For the purposes of determining the aggregate proceeds that can be realised pursuant to any Enforcement Action the Trustee shall use reasonable efforts to obtain, with the cooperation of the Collateral Manager, bid prices with respect to each asset comprising the Portfolio from two recognised dealers (as specified by the Collateral Manager in writing) at the time making a market therein and shall compute the anticipated proceeds of sale or liquidation on the basis of the lower of such bid prices for each such asset. In the event that the Trustee, with the cooperation of the Collateral Manager, is only able to obtain bid prices with respect to an asset from one recognised dealer at the time making a market therein, the Trustee shall compute the anticipated proceeds of sale or liquidation on the basis of such one bid price. In addition, for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio and whether the Enforcement Threshold will be met, the Trustee may appoint an independent investment banking firm or other appropriate adviser to advise it and may obtain and rely on an opinion and/or advice of such independent investment banking firm or other appropriate advisor (the cost of which shall be payable as Trustee Fees and Expenses).

The Trustee shall notify the Noteholders, the Issuer, the Agents, each Hedge Counterparty, the Collateral Manager and the Rating Agencies in the event that it makes an Enforcement Threshold

Determination at any time or takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following the effectiveness of an Acceleration Notice which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or, as the case may be following automatic acceleration of the Notes or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or 7(g) (*Redemption following Note Tax Event*), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral which is or may be required to be paid or returned to a Hedge Counterparty outside the Priorities of Payment in accordance with the Hedge Agreement and these Conditions and other than amounts standing to the credit of the Currency Accounts which represents Sale Proceeds in respect of Non-Euro Obligations sold subject to and in accordance with the terms of a Currency Hedge Transaction and any cash received in respect of Swap Tax Credits which in each case shall be paid to the relevant Hedge Counterparty in accordance with the terms thereof outside the Priorities of Payment) shall be credited to the Payment Account and shall be distributed in accordance with the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Post-Acceleration Priority of Payments**"):

(A) other than following enforcement of the security constituted by the Trust Deed, to the payment of taxes owing by the Issuer accrued in respect of the related Due Period (other than Irish corporate income tax in relation to the Issuer Profit Amount referred to below), as certified by an Authorised Officer of the Issuer to the Trustee, if any (save for any value added tax or any other tax payable in respect of any Collateral Management Fee or any other tax payable in relation to any amount payable to the Secured Parties or any other persons in accordance with the following paragraphs), and to the payment of the Issuer Profit Amount to be retained by the Issuer, for deposit into the Issuer Irish Account from time to time;

(B) to the payment of accrued and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap in respect of the related Due Period, provided that the Senior Expenses Cap shall not apply for so long as a Note Event of Default has occurred and is continuing;

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof (including from any Balance then outstanding on the Expense Reserve Account) up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above, provided that the Senior Expenses Cap shall not apply for so long as a Note Event of Default has occurred and is continuing;

(D) to the payment:

(1) *firstly*, on a *pro rata* basis to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) save for any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts which shall not be paid pursuant to this paragraph; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(E) to the payment on a *pro rata* basis, of any Scheduled Periodic Hedge Issuer Payments and Hedge Issuer Termination Payments (other than Defaulted Hedge Termination Payments) and to the extent not previously paid out of the Currency Accounts, Hedge Account or Interest Account;

(F) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class A Notes;

(G) to the redemption on a *pro rata* basis of the Class A Notes, until the Class A Notes have been redeemed in full;

(H) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class B Notes;

(I) to the redemption on a *pro rata* and *pari passu* basis of the Class B Notes, until the Class B Notes have been redeemed in full;

(J) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class C Notes;

(K) to the payment on a *pro rata* basis of any Deferred Interest on the Class C Notes;

(L) to the redemption on a *pro rata* and *pari passu* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(M) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class D Notes;

(N) to the payment on a *pro rata* basis of any Deferred Interest on the Class D Notes;

(O) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(P) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class E Notes;

(Q) to the payment on a *pro rata* basis of any Deferred Interest on the Class E Notes;

(R) to the redemption on a *pro rata* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(S) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class F Notes;

(T) to the payment on a *pro rata* basis of any Deferred Interest on the Class F Notes;

(U) to the redemption on a *pro rata* basis of the Class F Notes, until the Class F Notes have been redeemed in full;

(V) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

(3) *thirdly*, to the Collateral Manager in payment of any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts;

(W) to the payment of Trustee Fees and Expenses not paid by reason of the Senior Expenses Cap (if any), in relation to each item thereof, on a *pro rata* basis;

(X) to the payment of Administrative Expenses not paid by reason of the Senior Expenses Cap (if any), in relation to each item thereof, in the order of priority set out in the definitions thereof;

(Y) to the payment on a *pro rata* and *pari passu* basis of any Defaulted Hedge Termination Payments due to any Hedge Counterparty (to the extent not previously paid out of the Hedge Account);

(Z) to any Reinvesting Noteholder (whether or not any applicable Reinvesting Noteholder continues on the date of such payment to hold all or any portion of such Subordinated Notes)

of any Reinvestment Amounts contributed and not previously paid pursuant to this paragraph (Z) or paragraph (S) of the Principal Proceeds Priorities of Payments; and

(AA) (1) if the Incentive Management Fee IRR Threshold has not been reached, any remaining Interest Proceeds and Principal Proceeds to the payment on the Subordinated Notes on a *pro rata basis* (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption), until the Incentive Management Fee IRR Threshold is reached; and

(2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date including pursuant to paragraph (1) above, paragraph (CC) of the Interest Proceeds Priority of Payments and paragraph (T) of the Principal Proceeds Priority of Payments, the Incentive Management Fee IRR Threshold has been reached (on or prior to such Payment Date):

(a) 20 per cent. of any remaining Interest Proceeds and Principal Proceeds, to the payment to the Collateral Manager as an Incentive Management Fee

(b) any value added tax on the fee referred to in paragraph (a) above, (whether payable to the Collateral Manager or directly to the relevant tax authority); and

(c) any remaining Interest Proceeds and Principal Proceeds after payment of the Incentive Management Fee and any value added tax thereon pursuant to paragraphs (a) and (b) above, to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes and immediately prior to such redemption).

Where the payment of any amount in accordance with the Priorities of Payment set out above is subject to any deduction or withholding for or on account of any tax or any other tax is payable by or on behalf of the Issuer in respect of any such amount, payment of the amounts so deducted or withheld or of the tax so due shall be made to the relevant taxing authority *pari passu* with and, so far as possible, at the same time as the payment of the amount in respect of which the relevant deduction or withholding or other liability to tax has arisen.

(c) Only Trustee to Act

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or, in respect of the Collateral, of any of the other Secured Parties under the Trust Deed or the Euroclear Security Agreement, as applicable, 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 and such failure or neglect continues for at least 30 days following receipt of notice by the Trustee.

(d) Purchase of Collateral by Noteholders or Collateral Manager

Upon any sale of any part of the Collateral following the acceleration of the Notes under Condition 10(b) (*Acceleration*), whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder, the Collateral Manager or any of its Affiliates may (but shall not be obliged to) bid for and purchase the Collateral or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of such property in its or their own absolute right without accountability. In addition, any purchaser in any such sale which is a Noteholder may deliver Notes held by it in place of payment of the purchase price for such Collateral where the amount payable to such Noteholder in respect of such Notes pursuant to the Priorities of Payments, had the purchase price been paid in cash, is equal to or exceeds such purchase price.

12. Prescription

Claims in respect of principal and interest payable on redemption in full of the relevant Notes will become void unless presentation for payment is made as required by Condition 7 (*Redemption and Purchase*) within

a period of five years, in the case of interest, and ten years, in the case of principal, from the date on which payment is respect of such Notes is received by the applicable Paying Agent.

13. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar, 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 of each Class (and for passing Written Resolutions) to consider matters affecting the interests of the Noteholders including, without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) are descriptive of the detailed provisions of the Trust Deed.

(b) Decisions and Meetings of Noteholders

(i) General

Decisions may be taken by Noteholders by way of Ordinary Resolution, Extraordinary Resolution or Written Resolution, in each case, of each Class (subject as provided in the next paragraph) or, to the extent specified in any applicable Transaction Document or these Conditions, by a Class of Noteholders acting independently. Ordinary and Extraordinary Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "Minimum Percentage Voting Requirements" in paragraph (iii) below. Meetings of the Noteholders may be convened by the Issuer, the Trustee or by one or more Noteholders holding not less than 10 per cent. in principal amount of the Notes Outstanding of a particular Class, subject to certain conditions including minimum notice periods. Where decisions are required to be taken by a Written Resolution of the Requisite Majority of a Class or Classes under the Trust Deed or these Conditions, such decision may only be made in accordance with Condition 14(b)(iv) (*Written Resolutions*) below.

The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects the holders of only one or more (but not all) Classes of Notes, in which event a meeting only of each affected Class will be required and the required quorum and minimum percentage voting requirements of such Ordinary Resolution or Extraordinary Resolution may be determined by reference only to the holders of that Class or Classes of Notes and not the holders of any other Notes as set forth in the tables below.

Notice of any Resolution passed by the Noteholders will be given to each of the Rating Agencies.

(ii) Quorum

The quorum required for any meeting convened to consider an Ordinary Resolution or Extraordinary Resolution, in each case, of all the Noteholders or of any Class or Classes of Noteholders, or at any adjourned meeting to consider such a Resolution, shall be as set out in the relevant column and row corresponding to the type of resolution in the table "Quorum Requirements" below.

Quorum Requirements

Type of Resolution	Any meeting other than a meeting adjourned for want of	Meeting previously adjourned for want of quorum

	quorum	
Extraordinary Resolution of Noteholders	One or more persons holding or representing not less than 66 2/3 per cent. of the aggregate Principal Amount Outstanding of the Notes	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of Notes
Ordinary Resolution of Noteholders	One or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of Notes

The Trust Deed does not contain any provision for higher quorums in any circumstances.

In connection with a CM Removal Resolution or a CM Replacement Resolution, no Notes held in the form of CM Non-Voting Notes, CM Non-Voting Exchangeable Notes or Collateral Manager Notes shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of any such CM Removal Resolution or CM Replacement Resolution; or (C) be counted for the purposes of determining a quorum or the result of voting in respect of any such CM Removal Resolution or CM Replacement Resolution.

(iii) Minimum Voting Rights

Set out in the table "Minimum Percentage Voting Requirements" below are the minimum percentages required to pass the Resolutions specified in such table which, (A) in the event that such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons who vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are entitled to be voted or, (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes entitled to be voted in respect of such Written Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Per cent.
Extraordinary Resolution of Noteholders	At least 66 2/3 per cent.
Ordinary Resolution of Noteholders	More than 50 per cent.

(iv) Written Resolutions

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

Any decision or resolution which is required to be taken by a Written Resolution of the Requisite Majority of a Class or Classes under the Trust Deed or these Conditions (including the removal of the Collateral Manager) may only be taken by a Written Resolution of the Requisite Majority of such Class or Classes of Notes.

(v) Electronic Resolutions

The Trust Deed provides that any Extraordinary Resolution or Ordinary Resolution (including where passed by a Written Resolution) may be passed by way of consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee)

by or on behalf of the relevant number of required Noteholders for such Extraordinary Resolution or Ordinary Resolution (as applicable).

(vi) All Resolutions Binding

Subject to Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*) and in accordance with the Trust Deed, any Resolution of the Noteholders (including any resolution of a specified Class or Classes of Noteholders, where the resolution of one or more other Classes is not required) duly passed shall be binding on all Noteholders (regardless of Class and regardless of whether or not a Noteholder was present at the meeting at which such Resolution was passed).

(vii) Extraordinary Resolution

Any Resolution to sanction any of the following items (each a "**Basic Terms Modification**") will be required to be passed by an Extraordinary Resolution (in each case, subject to anything else contemplated in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable):

(A) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity;

(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);

(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;

(D) the adjustment of the outstanding principal amount of the Notes Outstanding of the relevant Class other than in connection with a further issue of Notes pursuant to Condition 17 (*Additional Issuances*);

(E) a change in the currency of payment of the Notes of a Class;

(F) any change in the Priorities of Payments or of any payment items in the Priorities of Payments;

(G) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution or any other provision of these Conditions which requires the written consent of the holders of a requisite Principal Amount Outstanding of the Notes of any Class Outstanding;

(H) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed;

(I) any item requiring approval by Extraordinary Resolution pursuant to these Conditions or any Transaction Document; and

(J) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*).

(viii) Ordinary Resolution

Any meeting of the Noteholders shall, subject to these Conditions and the Trust Deed, have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (vii) (*Extraordinary Resolution*) above.

(ix) Matters affecting a certain Class of Notes

Without prejudice to the second paragraph of Condition 14(b)(i) (*General*) above, matters affecting the interests of only one Class (in the opinion of the Trustee) shall only be considered by and voted upon at a meeting of Noteholders of that relevant Class or by Written Resolution of the holders of that relevant Class.

(c) Modification and Waiver

The Trust Deed and the Collateral Management and Administration Agreement both provide that, without the consent of the Noteholders (other than as provided in paragraphs (x) and (xv) below), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management and Administration Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto) (as applicable) (and other than any such amendment, modification, supplement and/or waiver that has the effect of sanctioning a Basic Terms Modification), and the Trustee shall consent to (without the consent of Noteholders) such amendment, modification, supplement or waiver as provided below (other than in the case of an amendment, modification, supplement or waiver, pursuant to paragraphs (xi) and (xii) below, which shall be subject to the prior written consent of the Trustee in accordance with the relevant paragraph), for any of the following purposes:

(i) to add to the covenants of the Issuer or the Trustee for the benefit of the Noteholders;

(ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or subject to the security of the Trust Deed any additional property;

(iv) to evidence and provide for the acceptance of appointment under the Trust Deed by a successor Trustee subject to and in accordance with the terms of the Trust Deed and to add to or change any of the provisions of the Trust Deed as shall be necessary to facilitate the administration of the trusts under the Trust Deed by more than one Trustee, pursuant to the requirements of the relevant provisions of the Trust Deed;

(v) to make such changes as shall be necessary or advisable in order for the Notes of each Class to be (or to remain) listed on the Global Exchange Market of the Irish Stock Exchange or any other exchange;

(vi) subject to Rating Agency Confirmation (other than to the extent otherwise permitted pursuant to Condition 14(c)(xx) below) to amend, modify, enter into or accommodate the execution of any Hedge Agreement upon terms satisfactory to the Collateral Manager;

(vii) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;

(viii) to take any action advisable to prevent the Issuer from being treated as resident in the UK for UK tax purposes, as trading in the UK for UK tax purposes or as subject to UK value added tax in respect of any Collateral Management Fees;

(ix) 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;

(x) subject to Rating Agency Confirmation to enter into any additional agreements not expressly prohibited by the Trust Deed or the Collateral Management and Administration Agreement (as applicable) as well as any amendment, modification or waiver of such additional agreements if an officer or director of the Issuer certifies to the Trustee (upon which certification the Trustee shall rely absolutely and without further enquiry or liability) that such entry, amendment, modification or waiver would not, upon or after becoming effective, materially and adversely affect the rights or interests of Noteholders of any Class of Notes; in each case provided that (x) any such additional agreements include customary limited recourse and non-petition provisions and (y) the consent of the Controlling Class acting by Ordinary Resolution has been obtained;

(xi) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error;

(xii) to make any other modification (save as otherwise provided in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any other Transaction Document which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders of any Class;

(xiii) to amend the name of the Issuer;

(xiv) to modify or amend any components of the Moody's Test Matrix or the S&P Matrix (subject to receipt of a Rating Agency Confirmation from the relevant Rating Agency) in order that they may be consistent with the criteria of the Rating Agencies (provided that any such modifications required to be made in order to reflect changes in the methodology applied by Rating Agencies and expressly required for such purpose by each applicable Rating Agency shall not require Rating Agency Confirmation);

(xv) to (A) modify or amend any components of the Portfolio Profile Tests, the Collateral Quality Tests or the Reinvestment Overcollateralisation Test and the definitions related thereto which affect the calculation thereof, or (B) modify the definition of "Credit Improved Obligation", "Credit Risk Obligation", "Defaulted Obligation" or "Equity Security", the restrictions on the sales of Collateral Obligations or the Eligibility Criteria or Restructured Obligation Criteria set forth in the Collateral Management and Administration Agreement, in each case, provided that (I) an officer of the Collateral Manager has certified to the Trustee that such modification or amendment would not materially adversely affect the interests of Noteholders of any Class of Notes (upon which certificate the Trustee shall rely absolutely and without further enquiry or liability), (II) Rating Agency Confirmation has been obtained from the Rating Agencies then rating the Rated Notes, (III) the consent of the Controlling Class acting by Ordinary Resolution has been obtained, and (IV) the consent of the Subordinated Noteholders acting by Ordinary Resolution has been obtained (provided that any such modification or amendment to the Collateral Quality Tests required to be made in order to reflect changes in the methodology applied by the Rating Agencies and expressly required for such purpose by each applicable Rating Agency shall not require Rating Agency Confirmation, the consent of the Controlling Class or the consent of the Subordinated Noteholders);

(xvi) to make any changes necessary (x) to reflect any additional issuances of Notes effected pursuant to Condition 17 (*Additional Issuances*) or (y) to issue any replacement notes in accordance with Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*);

(xvii) to conform the Transaction Documents to the Offering Circular;

(xviii) to modify the Transaction Documents in order to comply with Rule 17g-5 of the Exchange Act;

(xix) to modify the terms of the Transaction Documents in order that they may be consistent with the criteria of the Rating Agencies, including to address any change in the rating methodology employed by either Rating Agency, in a manner that an officer of the Collateral Manager certifies to the Trustee (upon which certification the Trustee shall rely absolutely and without further enquiry or liability) would not materially adversely affect the interests of the Noteholders of the Notes of any Class and with respect to which a Rating Agency Confirmation (or such other confirmation as the relevant Rating Agency is willing to provide from time to time that such modifications will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency) has been obtained from each Rating Agency then rating the Rated Notes in respect of the Rated Notes provided that no less than 5 Business Days' notice of such proposed modification has been provided to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*);

(xx) to modify the terms of the Transaction Documents and/or the Conditions in order to enable the parties to such Transaction Document to comply with any requirements which apply to it under

Regulation (EU) 648/2012 (as the same may be amended from time to time and including any implementing or delegated regulation, technical standards and guidance related thereto) ("**EMIR**"), and/or the Dodd-Frank Act and/or any other applicable regulatory requirements, subject, in each case, to receipt by the Trustee of a certificate of the relevant party certifying to the Trustee (upon which certificate the Trustee shall rely absolutely and without further enquiry or liability) that the requested amendments are to be made solely for the purpose of enabling such party to satisfy its requirements under EMIR and/or the Dodd-Frank Act (as applicable) or any other regulatory requirements, as applicable;

(xxi) to accommodate the settlement of the Notes in book-entry form through the facilities of Euroclear or Clearstream, Luxembourg, DTC or otherwise;

(xxii) to change the date within the month on which Reports are required to be delivered;

(xxiii) to reduce the Minimum Denomination of the Notes; provided that any such reduction in Minimum Denomination shall not result in a material disadvantage to the Noteholders or the Issuer in respect of any legal or regulatory requirement or tax treatment of the Issuer;

(xxiv) 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;

(xxv) to make any modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document to comply with changes in the Retention Requirements or to comply with any other risk retention legislation, regulations or official guidance, including the UCITS Directive;

(xxvi) to make any modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document to comply with CRA3 or any amending regulation or legislation in relation thereto, including any implementing regulation, technical standards and guidance related thereto;

(xxvii) to make any modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any Transaction Document to comply with AIFMD or the implementation of the implementing technical standards relating thereto or any subsequent legislation or official guidance relating to AIFMs;

(xxviii) to make any modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any Transaction Document to comply with Directive 2014/65/EU on markets in financial instruments Regulation (EU) No 600/2014 on markets in financial instruments or any amending regulation or legislation in relation thereto, including any implementing technical standards and guidance related thereto;

(xxix) (to make such changes as shall be necessary to facilitate the Issuer to effect a Refinancing in part in accordance with Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*); and

(xxx) to make any modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any Transaction Document to facilitate the transfer of any Hedge Agreement to a replacement counterparty or the roles of any Agent to a replacement agent, in each case in circumstances where such Hedge Counterparty or Agent does not satisfy the applicable Rating Requirement and subject to such replacement counterparty or agent (as applicable) satisfying the applicable requirements in the Transaction Documents.

Any such modification, authorisation or waiver shall be binding upon the Noteholders and shall be notified by the Issuer as soon as practicable following the execution of any supplemental trust deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

(A) so long as any of the Rated Notes remains Outstanding, each such Rating Agency; and

(B) the Noteholders in accordance with Condition 16 (*Notices*).

Notwithstanding anything to the contrary herein and in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any provisions of the Transaction Documents if such change shall have a material adverse effect on the rights or obligations of a Hedge Counterparty without that Hedge Counterparty's prior written consent if and for so long as any Transactions (as defined in the relevant Hedge Agreement) between such Hedge Counterparty and the Issuer remain outstanding.

To the extent required pursuant to a Hedge Agreement, the Issuer shall notify each Hedge Counterparty of any proposed amendment to any provisions of the Transaction Documents and seek the prior consent of such Hedge Counterparty in respect thereof, in each case to the extent required in accordance with and subject to the terms of the relevant Hedge Agreement. For the avoidance of doubt, such notice shall only be given and such consent shall only be sought to the extent required above or in accordance with and subject to the terms of the relevant Hedge Agreement. If a Hedge Agreement allows a certain period for the relevant Hedge Counterparty to consider and respond to such a consent request, during such period and pending a response from the relevant Hedge Counterparty, the Issuer shall not make any such proposed amendment.

For the avoidance of doubt, the Trustee shall, without the consent or sanction of any of the Noteholders or any other Secured Party, concur with the Issuer, in making any modification, amendment, waiver or supplement which the Issuer certifies to the Trustee (upon which certification the Trustee shall rely absolutely and without further enquiry or liability) is required pursuant to the paragraphs above (other than a modification, waiver or authorisation pursuant to paragraphs (xi) or (xii) above in which the Trustee may, without the consent or sanction of any of the Noteholders or any other Secured Party, concur with the Issuer) to the Transaction Documents, provided that the Trustee shall not be obliged to agree to any modification or any other matter which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, rights, powers, authorisations or indemnification of the Trustee in respect of the Transaction Documents.

The fact that certain of the matters set out in (i) – (xxx) above expressly require the provision of a certificate, opinion or other evidence shall not prevent the Trustee from requiring evidence in relation to the matters set out in (i) – (xxx) above which do not expressly require the provision of a certificate, opinion or other evidence in order to satisfy itself as to the existence or applicability of any of such last-mentioned matters.

In the case of a request for consent to a modification, amendment, waiver or authorisation pursuant to paragraphs (xi) and (xii) above any such modification, amendment, waiver or authorisation may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, provided that, under no circumstances shall the Trustee be required to give such consent on less than 21 days' notice and the Trustee shall be entitled to obtain, at the expense of the Issuer, and rely on such advice in connection with determining whether or not to give such consent as it sees fit.

(d) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, provided that based on advice of legal counsel experienced in such matters, such substitution would not (A) result in the Issuer becoming subject to U.S. federal income taxation with respect to its net income, (B) 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 (C) have a material adverse effect on the tax treatment of the Issuer or the tax consequences to the Noteholders. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as the Rating Agency may require), to a change of the law governing the Notes and/or the Trust Deed, provided that

such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, including receipt of Rating Agency Confirmation, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, provided the Issuer does all such things as the Trustee may reasonably require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may reasonably direct, provided, that based on advice of legal counsel experienced in such matters, such change in the place of residence of the Issuer would not (A) result in the Issuer becoming subject to U.S. federal income taxation with respect to its net income, (B) 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 (C) have a material adverse effect on the tax treatment of the Issuer or the tax consequences to the Noteholders.

The Issuer shall procure that, so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange any material amendments or modifications to the Conditions, the Trust Deed or such other conditions made pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

(e) Entitlement of the Trustee and Conflicts of Interest

In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)), the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any 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 Trustee shall give priority to the interests of (i) the Class A Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (ii) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (iii) the Class C Noteholders over the Class D Noteholders, Class E Noteholders, Class F Noteholders and the Subordinated Noteholders, (iv) the Class D Noteholders over the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (v) the Class E Noteholders over the Class F Noteholders and the Subordinated Noteholders and (vi) the Class F Noteholders over the Subordinated Noteholders. If the Trustee receives conflicting or inconsistent requests from two or more groups of holders of a Class, given priority as described in this paragraph, each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that, except as expressly provided otherwise in any applicable Transaction Document or these Conditions, the Trustee will act upon the directions of the holders of the Controlling Class (or other Class where the Noteholders of the Class or Classes having priority over such other Class do not, in the opinion of the Trustee, have an interest in the subject matter of such directions) (acting by Extraordinary Resolution) subject to being indemnified and/or secured and/or prefunded to its satisfaction, and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any other Class of Notes. In addition, the Trust Deed provides that, so long as any Note is Outstanding, the Trustee shall have no regard to the interests of any Secured Party other than the Noteholders or, at any time, to the interests of any other person.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to

enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any other party to any Transaction Document and any entity related to the Issuer or any other party to any Transaction Document without accounting for any profit. The Trustee is exempted from any liability in respect of any loss or theft of the Collateral from any obligation to insure, or to monitor the provisions of any insurance arrangements in respect of, the Collateral (for the avoidance of doubt, under the Trust Deed the Trustee is under no such obligation) and from any claim arising from the fact that the Collateral is held by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee shall not be responsible for the performance by the Custodian of any of its duties under the Agency Agreement or for the performance by the Collateral Manager of any of its duties under the Collateral Management and Administration Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Management and Administration Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or by any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the Collateral Manager to release any of the Collateral from time to time.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee by Extraordinary Resolution of the Controlling Class, but no such retirement or removal shall become effective until a successor trustee is appointed.

16. Notices

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission, including electronic mail) and (for so long as the Notes are listed on the Global Exchange Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange. Any such notice shall be deemed to have been given to the Noteholders (a) in the case of inland mail three days after the date of dispatch thereof, (b) in the case of overseas mail, seven days after the dispatch thereof or, (c) in the case of electronic transmission, on the date of dispatch.

Notices will be valid and will be deemed to have been given, for so long as the Notes are admitted to trading on the Irish Stock Exchange, when such notice is filed in the Company Announcements Office of the Irish Stock Exchange.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders (or a category of them) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

17. Additional Issuances

(a) The Issuer may from time to time, subject to the approval of the Subordinated Noteholders acting by Ordinary Resolution and the prior written approval of the Retention Holder, create and issue further Notes having the same terms and conditions as existing Classes of Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Notes of such Class (unless otherwise provided), and will use the proceeds of sale thereof to purchase additional Collateral Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Obligations, provided that the following conditions are met:

(i) such additional issuances in relation to the applicable Class of Notes may not exceed 100.0 per cent. in the aggregate of the original aggregate principal amount of such Class of Notes;

(ii) such additional Notes must be issued for a cash sale price and the net proceeds invested in Collateral Obligations or, pending such investment, during the Initial Investment Period deposited in the Unused Proceeds Account or, thereafter, deposited in the Principal Account and, in each case, invested in Eligible Investments;

(iii) such additional Notes must be of each Class of Notes and issued in a proportionate amount among the Classes so that the relative proportions of aggregate principal amount of the Classes of Notes existing immediately prior to such additional issuance remain unchanged immediately following such additional issuance (save with respect to Subordinated Notes as described in paragraph (b) below);

(iv) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Notes must be identical to the terms of the previously issued Notes of the applicable Class of Notes;

(v) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance and if the issue price thereof is less than 100 per cent., obtain Rating Agency Confirmation;

(vi) the Coverage Tests are satisfied or if not satisfied the Coverage Tests will be maintained or improved after giving effect to such additional issuance of Notes compared to what they were immediately prior to such additional issuance of Notes;

(vii) the holders of the relevant Class of Notes in respect of which further Notes are issued shall have been notified in accordance with Condition 16 (*Notices*) 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance (the "**Anti Dilution Percentage**") of such additional Notes and on the same terms offered to investors generally;

(viii) (so long as the existing Notes of the Class of Notes to be issued are listed on the Global Exchange Market of the Irish Stock Exchange) the additional Notes of such Class to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the Global Exchange Market of the Irish Stock Exchange (for so long as the rules of the Irish Stock Exchange so requires);

(ix) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer;

(x) the Retention Holder consenting to purchase a sufficient amount of each Class of Notes which are the subject of such additional issuance such that the collateralised loan obligation transaction contemplated under the Transaction Documents would not cease to be compliant with the Retention Requirements following such additional issuance;

(xi) the Issuer and the Trustee will have received advice of tax counsel of nationally recognised standing in the United States experienced in such matters to the effect that (A) such additional issuance will not have a material adverse effect on the tax treatment of the Issuer or the tax consequences to the Noteholders of any Class Outstanding at the time of issuance of the additional Notes, and (B) any additional Class A Notes, Class B Notes, Class C Notes, and Class D Notes will be treated, and any additional Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes, provided, however, that the advice of tax counsel described in this clause (xi)(B) will not be required with respect to any additional Notes that bear a different International Securities Identification Number (or equivalent identifier) from the Notes of the same Class that were issued on the Issue Date and are Outstanding at the time of the additional issuance; and

(xii) such additional issuance will be accomplished in a manner that will allow the Issuer to accurately provide the information required to be provided to the Noteholders, including holders of such additional Notes which, for the avoidance of doubt includes issuing Notes under a separate ISIN or equivalent identifier.

(b) The Issuer may also issue and sell additional Subordinated Notes (without issuing Notes of any other Class), subject to the approval of the Subordinated Noteholders acting by Ordinary Resolution and the prior written approval of the Retention Holder having the same terms and conditions as existing Subordinated Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Subordinated Notes, provided that:

(i) the subordination terms of such Subordinated Notes are identical to the terms of the previously issued Subordinated Notes;

(ii) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Subordinated Notes must be identical to the terms of the previously issued Subordinated Notes;

(iii) such additional Subordinated Notes are issued for a cash sales price (the net proceeds to be (a) invested in Collateral Obligations or Eligible Investments or, pending such investment, deposited in, the Unused Proceeds Account prior to the expiry of the Initial Investment Period or the Principal Account after the expiry of the Initial Investment Period and in each case invested in Eligible Investments, provided that the Issuer or the Collateral Manager (acting on behalf of the Issuer) shall not enter into any binding commitments to purchase Collateral Obligations with such proceeds, until such proceeds have been deposited into the Unused Proceeds Account or the Principal Account (as applicable); or (b) paid into the Interest Account and used to make payments on any Payment Date in accordance with the Priorities of Payments);

(iv) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance;

(v) the Retention Holder consenting to purchase a sufficient amount of Subordinated Notes which are the subject of such additional issuance such that the collateralised loan obligation transaction contemplated under the Transaction Documents would not cease to be compliant with the Retention Requirements following such additional issuance;

(vi) the Subordinated Noteholders shall have been notified in accordance with Condition 16 (*Notices*) 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Subordinated Notes in an amount not to exceed the Anti Dilution Percentage of such additional Subordinated Notes and on the same terms offered to investors generally; and

(vii) such additional issuance is in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer.

References in these Conditions to the " Notes " include (unless the context requires otherwise) any other securities issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Notes. Any further securities forming a single series with Notes constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

18. Third Party Rights

No person shall have any right to enforce any term or Condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. Governing Law

(a) Governing Law

The Trust Deed and each Class of Notes and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to the Trust Deed or any Class of Notes are governed by and shall be construed in accordance with English law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Notes, and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one

or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

The Issuer appoints Law Debenture Corporate Services Limited as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify the Trustee and the Noteholders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds of the issue of the Notes after payment of fees and expenses payable on or about the Issue Date are expected to be approximately €301,000,000. Such proceeds will be used by the Issuer (i) for the repayment of any amounts borrowed by the Issuer (together with any interest thereon) pursuant to the Warehouse Arrangements, (ii) to fund the First Period Reserve Account in an amount equal to €1,500,000, (iii) to fund the Expense Reserve Account in an amount approximately equal to €1,650,000, and (iv) all other amounts due in order to finance the acquisition of Collateral Obligations complying with the Eligibility Criteria and purchased by the Issuer during the Initial Investment Period.

FORM OF THE 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 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 (A) it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a nominal amount of not less than €250,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note and (B) that constitutes a QP; or (ii) to a non U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S. 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/QP 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 and that is also a QP 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 Registrar of a written certification (in the form provided in the Trust Deed) to the effect that the transferor reasonably believes that the transferee is a QIB/QP and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate only upon receipt by the Registrar of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made to a non-U.S. Person and in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate will, upon transfer, cease to be an interest in such Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate will, upon transfer, cease to be an interest in a Rule 144A Global Certificate and become an interest in the Regulation S Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Notes.

A transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Rule 144A Global Note or Certificate or a Regulation S Global Note or Certificate will be deemed to represent (among other things) that it is not and not acting on behalf of, and for so long as it holds such Note or an interest therein will not be, and will not be acting on behalf of, a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Class E Note, Class F Note or Subordinated Note in the form of a Rule 144A Global Note or Certificate or a Regulation S Global Note or Certificate unless such transferee: (i) obtains the written consent of the Issuer (which consent, without limitation, will not be given if such purchaser or transferee holding such Class E Note, Class F Note or Subordinated Note would result in a material risk that 25 per cent. or more of the total value of the Class E Notes, Class F Notes or Subordinated Notes (determined separately by Class) would be deemed to be held by Benefit Plan Investors for the purposes of ERISA); and (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex A).

The 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 Conditions in definitive form (See "*Terms and Conditions*"). The following is a summary of those provisions:

- *Payments*. Payments of principal and interest in respect of Notes represented by a Global Certificate will be made 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. 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 shall be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Notes provided that such notice is also made to the Company Announcements Office of the Irish Stock Exchange for so long as such Notes are listed on the Global Exchange Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require. Such notice will be deemed to have been given to the Noteholders on the date of delivery of the relevant notice to the relevant clearing system.

- *Prescription*. Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

- *Meetings*. The holder of each Global Certificate will be treated as being one person for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each €1,000 of principal amount of Notes for which the relevant Global Certificate may be exchanged.

- *Trustee's Powers*. In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

- *Cancellation*. Cancellation of any Note required by the Conditions to be cancelled will be effected by reduction in the principal amount of the Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

- *Optional Redemption*. The Subordinated Noteholders' and the Controlling Class' option in Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*) may be exercised by the Subordinated Notes or the Controlling Class (as applicable) giving notice to the

Registrar 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 or Definitive Certificate (as applicable) for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*).

- *Record Date*. will mean the close of business on the Clearing System Business Day before the relevant due date for payment of principal and interest in respect of such Note (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 ERISA*) or Condition 2(j) (*Forced transfer pursuant to FATCA*), 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.

Exchange for Definitive Certificates

Exchange

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Definitive Exchange Date (as defined below), in whole but not in part, for Definitive Certificates if a Global Certificate is held (directly or indirectly) on behalf of Euroclear or Clearstream, Luxembourg, DTC or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

"**Definitive Exchange Date**" means a day falling not less than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar is located.

Delivery

In the event a Global Certificate is to be exchanged, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar 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, together with the completed form of transfer and to the extent applicable, consent of the Issuer and a duly completed ERISA Certificate substantially in the form of Annex A. Upon the transfer, exchange or replacement of a Definitive Certificate in registered definitive form, as applicable, bearing the legend referred to under "Transfer Restrictions" below, or upon specific request for removal of the legend on a Definitive Certificate in registered definitive form, as applicable, the Issuer will deliver only Definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

BOOK ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from a review of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or DTC (together, the "**Clearing Systems**"), but prospective investors are advised to make their own enquiries as to such rules, regulations and. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of the Clearing Systems currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. This information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain no facts have been omitted which would render the reproduced information inaccurate or misleading. None of the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser or any Agent party to the Agency Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading (See "*Settlement and Transfer of Notes*" below).

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

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 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 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 Agency Agreement, the amount of U.S. Dollars payable in respect of any particular payment under the Rule 144A Notes will be equal to the amount of Euros otherwise payable exchanged into U.S. Dollars at the Euro/U.S. Dollar rate of exchange prevailing as at 11:00 a.m. (London time) on the day which is two London and New York Business Days prior to the relevant payment date, less any costs incurred by the Exchange Agent for such conversion (to be shared *pro rata* among the holders of the Rule 144A Notes accepting U.S. Dollar payments in proportion to their respective holdings), all as set out in more detail in the Agency Agreement. The Exchange Agent shall not be liable for the rate so obtained.

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 and (i) where the beneficial holder has elected to receive payments in respect of Notes in a currency other than EUR, in the principal financial centre of the relevant currency (if other than New York City and London) and (ii) where the beneficial holder has elected to receive payments in respect of Notes payable in EUR, a day on which TARGET2 is open.

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 Notes (except for the Subordinated Notes) be issued with at least the following ratings: the Class A Notes "AAA(sf)" from S&P and "Aaa(sf)" from Moody's; the Class B Notes: "AA(sf)" from S&P and "Aa2(sf)" from Moody's; the Class C Notes: "A(sf)" from S&P and "A2(sf)" from Moody's; the Class D Notes: "BBB(sf)" from S&P and "Baa2(sf)" from Moody's; the Class E Notes: "BB(sf)" from S&P and "Ba2(sf)" from Moody's; and the Class F Notes: "B(sf)" from S&P and "B2(sf)" from Moody's. The Subordinated Notes being offered hereby will not be rated.

The ratings assigned to the Class A Notes and the Class B Notes address the timely payment of interest and the ultimate payment of principal. 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 principal and interest.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable rating agency.

S&P Ratings

S&P will rate the Rated Notes in a manner similar to the manner in which it rates other structured issues. This requires an analysis of the following:

(a) the credit quality of the portfolio of Collateral Obligations securing the Notes;

(b) the cash flow used to pay liabilities and the priorities of these payments; and

(c) legal considerations.

Based on these analyses, S&P determines the necessary level of credit enhancement needed to achieve a desired rating. In this connection, the S&P CDO Monitor Test is applied 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 Collateral Manager on or before the Issue Date. The S&P CDO Monitor calculates the cumulative default rate of a pool of Collateral Obligations and Eligible Investments consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. The S&P CDO Monitor takes into consideration the rating of each Obligor, the number of Obligors, the Obligor industry concentration and the remaining weighted average maturity of each of the Collateral Obligations included in the Portfolio. The risks posed by these variables are accounted for by effectively adjusting the necessary default level needed to achieve a desired rating. The higher the desired rating, the higher the level of defaults the Portfolio must withstand. For example, the higher the Obligor industry concentration or the longer the weighted average maturity, the higher the default level is assumed to be.

Credit enhancement to support a particular rating is then provided on the results of the S&P CDO Monitor, as well as other more qualitative considerations such as legal issues and management capabilities. Credit enhancement is typically provided by a combination of over collateralisation/subordination, cash collateral/reserve account, excess spread/interest and amortisation. A cash flow model (the "**Transaction Specific Cash Flow Model**") is used to evaluate the portfolio and determine whether it can comfortably withstand the estimated level of default while fully repaying the class of debt under consideration.

There can be no assurance that actual losses on the Collateral Obligations will not exceed those assumed in the application of the S&P CDO Monitor or that recovery rates and the timing of recovery with respect thereto will not differ from those assumed in the Transaction Specific Cash Flow Model. None of S&P, the Issuer, the Collateral Manager, the Collateral Administrator, the Trustee or the Arranger makes any representation as to the expected rate of defaults on the Portfolio or as to the expected timing of any defaults that may occur.

S&P's ratings of the Rated Notes will be established under various assumptions and scenario analyses. There can be no assurance that actual defaults on the Collateral Obligations will not exceed those assumed by S&P in its analysis, or that recovery rates with respect thereto (and, consequently, loss rates) will not differ from those assumed by S&P.

Moody's Ratings

Moody's Ratings address the expected loss posed to investors by the legal and final maturity on the Maturity Date.

Moody's analysis of the likelihood that each Collateral Obligation will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as obligations with lower ratings are added to the Portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the expected volatility of the default rate of the Portfolio based on the level of diversification by region, issuer and industry. There can be no assurance that the actual default rates on the Collateral Obligations held by the Issuer will not exceed the rates assumed by Moody's in its analysis.

In addition to these quantitative tests, Moody's Ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager, the legal structure and the risks associated with such structure and other factors that Moody's deems relevant.

THE ISSUER

General

The Issuer is a special purpose vehicle established for the purpose of issuing asset backed securities and was incorporated in Ireland as a private limited company on 29 July 2014 under the Companies Acts 1963 to 2013 (as amended) of Ireland (the "**Companies Acts**") under the name Aurium CLO I Limited and with company registration number 547501. The registered office of the Issuer is 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland and its telephone number is +353 1 680 6000.

The authorised share capital of the Issuer is €1,000 divided into 1,000 ordinary shares of €1.00 each (the "**Shares**"). The Issuer has issued one Share, which is fully paid up and is held on trust by Castlewood CS Holdings Limited (as "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 7 August 2014, 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.

Deutsche International Corporate Services (Ireland) Limited (the "**Administrator**"), an Irish company, acts as the corporate administrator for the Issuer. The office of the Administrator serves as the general business office of the Issuer. Through the office and pursuant to the terms of the corporate services agreement entered into on 7 August 2014 between the Issuer and the Administrator (the "**Issuer 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 Issuer 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 Issuer Administration Agreement provide that either party may terminate the Issuer Administration Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Issuer Administration Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Issuer Administration Agreement at any time by giving at least 90 days' written notice to the other party.

The Administrator's principal office is 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

Business

The principal objects of the Issuer are set forth in Article 2 of its Memorandum of Association and include, *inter alia*, the power to issue securities and to raise or borrow money, to grant security over its assets for such purposes, to lend with or without security and to enter into derivative transactions. Cash flow derived from the Collateral securing the Notes will be the Issuer's only source of funds to fund payments in respect of such Notes.

So long as any of the Notes remain outstanding, the Issuer will be subject to the restrictions set out in the Conditions and in the Trust Deed. In particular, the Issuer has undertaken not to carry out any business other than the issue of the Notes and acquiring, holding and disposing of the Portfolio in accordance with the Conditions and the Collateral Management and Administration Agreement, entering into the Trust Deed, the Agency Agreement, the Collateral Management and Administration Agreement, the Issuer Administration Agreement, the Risk Retention Letter, the Warehouse Termination Agreement, any Collateral Acquisition Agreements, the Subscription Agreement and any Hedge Agreements 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 Agency Agreement, the Collateral Management and Administration Agreement, the Collateral Acquisition Agreements and any Hedge Agreements 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 Initial Purchaser, the Collateral Manager, the Collateral Administrator, any Hedge Counterparty or any Obligor under any part of the Portfolio.

Directors and Company Secretary

The Issuer's Articles of Association provide that the board of Directors of the Issuer will consist of at least two Directors.

The Directors of the Issuer as at the date of this Offering Circular are Aisling McNicholas and Ross Burns. The business address of the Directors is 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

The Company Secretary is the Administrator.

Business Activity

Prior to the Issue Date, the Issuer entered into a warehouse facility deed and certain other documents in connection with the Warehouse Arrangements to enable the Issuer to acquire Collateral identified by the Collateral Manager before the Issue Date using funds drawn under such warehouse facility deed. Amounts owing under such facility will be fully repaid using the proceeds from the issuance of the Notes.

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the authorisation and entry into of the Warehouse Arrangements, the acquisition of the Portfolio, the authorisation and issue of the Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Collateral Acquisition Agreements, the Notes, the Subscription Agreement, the Agency Agreement, the Trust Deed, the Collateral Management and Administration Agreement, the Warehouse Termination Agreement, the Issuer Administration Agreement, each Hedge Agreement, the Euroclear Security Agreement and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Portfolio.

Subsidiaries

The Issuer has no subsidiaries.

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 2015. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each year.

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. Save for in connection with the Warehouse Arrangements, the Issuer has no borrowings 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.

THE COLLATERAL MANAGER

The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Issuer, the Initial Purchaser or any other party other than the Collateral Manager assumes any responsibility for the accuracy or completeness of such information.

The delivery of this Offering Circular shall not create any implication that there has been no change in the affairs of the Collateral 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.

Certain administrative and management functions with respect to the Collateral will be performed by Spire Partners LLP ("**Spire**") as the Collateral Manager under the Collateral Management and Administration Agreement to be entered into on or prior to the Issue Date between, amongst others, the Issuer and the Collateral Manager. Spire 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—4. Certain Conflicts of Interest—Collateral Manager*" above.

Spire is a limited liability partnership incorporated in England and Wales under registered number OC376511 and is authorised and regulated by the Financial Conduct Authority. Spire is located at 3rd Floor, 86 Brook Street, London, W1K 5AY.

Spire was incorporated in 2012 by leverage finance and private equity professionals. Spire is an independent fund management firm focused on non-investment grade credit in Europe. As of 11 February 2015, Spire has a team of 9 professionals.

Members of the team have been involved in the management of a variety of fund types including collateralised loan obligations ("**CLOs**"), credit opportunities funds, managed accounts, a listed loan fund, and private equity funds.

Key Persons of Spire

Jonathan Russell

Mr. Russell is the Managing Partner and Chairman of the Investment Committee. Prior to joining Spire, he spent 24 years in Private Equity at 3i where he was responsible for creating and managing the Buyout Division. This was a pan-European operation with circa 100 executives based across the major European economies. In 2006 he was involved in the fundraising of Eurofund V at €5.0 billion. In 2008 he was Chairman of the EVCA and led the Private Equity Industry's response to the EU's AIFM directive. Mr. Russell has a BSc (Hons) in Ophthalmic Optics and an MBA from London Business School.

Oliver Drummond Smith

Mr. Drummond Smith is a Partner and Portfolio Manager. Prior to joining Spire, he was part of 3i's Buyout Team where he was involved in a number of private equity transactions. In addition, he was the co-Portfolio Manager of 3i's inaugural debt fund and through his involvement in the acquisition of Mizuho Investment Management, was a key member of the team that developed 3i's debt management activities. He was responsible for leading 3i's potential entry into the North American debt management market. Mr. Drummond Smith began his career at Barclays Bank, where he worked on arranging Leveraged Finance transactions. In 2007, he joined Merrill Lynch as a senior member of their mid-market Leveraged Finance team. Mr. Drummond Smith has a BSc in Mathematics from Bristol University and an MSc in Finance from the University of London.

Philip Bennett-Britton

Mr. Bennett-Britton is a Partner and Portfolio Manager. Prior to joining Spire, he was co-Portfolio Manager of 3i's inaugural debt fund, and having worked on the acquisition of Mizuho Investment Management, took over portfolio management responsibilities for two of 3i's Harvest CLOs. In 2011, he led the structuring of 3i's Credit Opportunities Fund, Palace Street I Limited, and in 2012 led the acquisition of various European CLO management contracts from Invesco. He was also responsible for secondary trading across all of 3i's debt funds. Mr. Bennett-Britton started his career in Corporate Finance at ING Barings, before transferring to ING's

Acquisition Finance and Sponsor Coverage team. He subsequently moved to Mizuho Bank, where he worked in its Leveraged Finance Origination teams in London and Hong Kong. Mr. Bennett-Britton has a degree in Law from the University of Nottingham.

Executives of Spire

The names of certain executives of Spire are listed below. There can be no assurance that such persons will remain in such positions with Spire or, even if they do so, will be involved in the management of the Collateral Obligations or in carrying out any of the other obligations of Spire under the Collateral Management and Administration Agreement during the term thereof.

Andrew Apps

Mr. Apps is the Chief Operating Officer and is seconded to Spire from LPT Limited, an Affiliate of Spire. Prior to joining Spire, he was Chief Operating Officer and Finance Director of Synergy Global Capital, a London based asset based finance fund. He began his career at Coopers and Lybrand where he qualified as a chartered accountant after which he worked at Merrill Lynch, Deutsche Bank and AIG in a variety of product control and business management roles within the fixed income, structured capital markets and securitisation businesses. Mr. Apps has a degree in Mechanical Engineering from Warwick University and is a qualified chartered accountant.

Ian Kavanagh

Mr. Kavanagh is Head of Fund Control and Operations. Prior to joining Spire, he was a Senior Director at 3i Debt Management and held joint responsibilities as a Portfolio Manager for a number of the CLO funds and also headed the Fund Control function for all 3i Debt Management funds. He has extensive experience of CLOs and structured credit funds having worked directly in this space for the past 13 years and played a key role in Mizuho Investment Management's sale to 3i. Prior to Mizuho Investment Management, he headed the EMEA Structured Finance and Alternative Funds Client Service team at Deutsche Bank that oversaw in excess of 125 funds with numerous different structures and strategies. Mr. Kavanagh began his career at JP Morgan Chase where he held numerous Middle Office, Collateral Management and Operational risk roles. Mr. Kavanagh holds a BA (Hons) degree from the University of Kent.

Sally Tankard

Ms. Tankard is a Senior Credit Analyst and has more than 24 years' investment experience. Prior to joining Spire, she was a senior investment analyst at ECM. Prior to that, she was a Director of Loans at Henderson Global Investors, and acted as the Portfolio Manager on a Henderson-managed CLO. She has also held various analytical positions, on both the buy and sell side in loans, at Credit Suisse, HSH Nordbank and BHF Bank. Ms. Tankard started her career in Corporate Lending at Westpac in Sydney and holds a BA in Economics and History from the University of Tasmania, Australia and Sheffield University.

Horia Spirea

Mr. Spirea is a Senior Credit Analyst and brings to Spire more than 10 years' experience in European non-investment grade credit. Most recently he set up and managed a small family investment fund. Prior to joining Spire, he was a credit analyst at Muzinich, the global fixed income asset manager specialising in corporate credit and high yield bonds, and an event driven analyst at Pali International. Mr. Spirea started his career in leveraged finance for Unicredit. Mr. Spirea has a degree in Economics from the Academy of Economic Studies in Romania, and a Masters in Finance from London Business School.

Saqib Deen

Mr. Deen is a Senior Credit Analyst and has 13 years' of credit research, leveraged finance, high yield research, and M&A experience. He was most recently at CarVal Investors, the $10 billion multi strategy fund manager, having previously spent 10 years at JPMorgan as a credit analyst on the secondary loan desk in London, and a high yield research analyst in New York. Mr. Deen started his finance career in investment banking with JPMorgan and subsequently Lazard in New York. Mr. Deen has a degree in Accounting from Ohio Wesleyan University.

THE RETENTION HOLDER AND RETENTION REQUIREMENTS

Description of the Retention Holder

Spire Partners LLP shall act as Retention Holder for the purposes of the Retention Requirements.

The description and the address of the Retention Holder are set out in the "Collateral Manager" section of this Offering Circular.

The Retention

On the Issue Date, the Retention Holder acting for its own account will sign the Risk Retention Letter addressed to the Issuer, the Trustee (for the benefit of the Noteholders), the Collateral Administrator and the Initial Purchaser.

Under the Risk Retention Letter, the Retention Holder will, for so long as any Notes are Outstanding:

(a) undertake to subscribe for, hold and retain a material net economic interest of not less than five per cent. of the nominal value of each Class of Notes then Outstanding by subscribing for and holding, on an ongoing basis, no less than five per cent. of the Principal Amount Outstanding of each Class of Notes then Outstanding, (such Notes being the "**Retention Notes**");

(b) agree not to sell, transfer, hedge or otherwise mitigate its credit risk (including in connection with the entry into any financing arrangements) under or associated with the Retention Notes (or the underlying portfolio of Collateral Obligations), where to do so would cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements;

(c) subject to any regulatory requirements, agree (i) to take such further action, provide such information, on a confidential basis, (including the information referred to in Article 409 of the CRR or Article 52 of European Union Commission Delegated Regulation (EU) No 231/2013) and enter into such other agreements in each case as may reasonably be required to satisfy the Retention Requirements and (ii) to provide to the Issuer, on a confidential basis, information in the possession of the Retention Holder relating to its holding of the Retention Notes, at the cost and expense of the party seeking such information, and to the extent the same is not subject to a duty of confidentiality, at any time prior to the maturity of the Notes;

(d) agree to confirm its continued compliance with the covenants set out at paragraphs (a) and (b) above to the Issuer, the Trustee and the Collateral Administrator, in each case in writing (which may be by way of email and which confirmations the Collateral Manager acknowledges may be included by the Collateral Administrator in any Monthly Report or Payment Date Report, as applicable) on a monthly basis on the Business Day prior to the date on which the Collateral Administrator compiles the Monthly Report or Payment Date Report, as applicable;

(e) agree that it shall promptly notify the Issuer, the Trustee and the Collateral Administrator if for any reason (i) it ceases to hold the Retention Notes in accordance with (a) above, (ii) it fails to comply with the covenant set out in (b) in any respect, (iii) it fails to comply with the covenant set out in (c) above in any material respect, or (iv) the representation and warranty contained in paragraph (f) below fails to be true in any respect on the date that it is made, or (v) any other of the representations and warranties contained in the Risk Retention Letter fail to be true in a material respect on the dates that they were made or deemed to be repeated; and

(f) represent and warrant that (i) it is a CRR Investment Firm and (ii) it is a "sponsor" for the purposes of Article 405(1) of the CRR.

If a successor Collateral Manager is appointed as described in "*Description of the Collateral Management and Administration Agreement*" below or the Collateral Manager is to assign, delegate or transfer any rights or obligations to another Person pursuant to the Collateral Management and Administration Agreement (as described in "*Description of the Collateral Management and Administration Agreement*" below), then the Collateral Manager, in its capacity as Retention Holder may transfer the Retention Notes (at a price agreed between the parties to such sale) provided that such transfer (a) is at such time permitted under the Retention Requirements, (b) is permitted under and contemplated by the Risk Retention Letter and

(c) would not cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements.

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

Prospective investors should consider the discussion in "*Risk Factors—General—Risk Retention and Due Diligence Requirements in Europe*" above.

On the Issue Date, the Retention Holder intends to obtain financing for the acquisition of the Retention Notes from the Initial Purchaser, an Affiliate of the Initial Purchaser or from a third party lender. It is expected that any such financing would be secured over the Retention Notes and be provided to the Retention Holder on a full recourse basis. The term of any such financing is expected to be considerably shorter than the term of the transaction described in this Offering Circular.

THE PORTFOLIO

*Terms used and not otherwise defined herein or in this Offering Circular as specifically referenced herein shall have the meaning given to them in Condition 1 (*Definitions*) of the Conditions.*

Introduction

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. In addition, the Collateral Administrator is required to perform certain calculations in relation to the Portfolio on behalf of the Issuer, in each case to the extent and in accordance with the information provided to it by the Collateral Manager.

Acquisition of Collateral Obligations

The Collateral Manager will determine and will use reasonable endeavours to cause to be acquired by the Issuer a portfolio of Secured Senior Loans, Secured Senior Bonds, Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds during the Initial Investment Period, the Reinvestment Period and thereafter. The Issuer anticipates that, by the Issue Date, it will have purchased or committed to purchase Collateral Obligations, the Aggregate Principal Balance of which is approximately 80 per cent. of the Target Par Amount. The proceeds of issue of the Notes remaining after payment of: (a) the acquisition costs for the Collateral Obligations acquired by the Issuer on or prior to the Issue Date, including repayment of the Warehouse Arrangements; and (b) certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes will be deposited in the Expense Reserve Account, the First Period Reserve Account and the Unused Proceeds Account on the Issue Date. The Collateral Manager acting on behalf of the Issuer, shall use all commercially reasonable efforts to purchase Collateral Obligations with an Aggregate Principal Balance (together with Collateral Obligations previously acquired) equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period.

The Issuer does not expect and is not required to satisfy the Collateral Quality Tests, Portfolio Profile Tests, the Coverage Tests or the Reinvestment Overcollateralisation Test prior to the Effective Date. The Collateral Manager may declare that the Initial Investment Period has ended and the Effective Date has occurred prior to the Payment Date in October 2015, subject to the Effective Date Determination Requirements being satisfied.

On or after the Effective Date, the Initial Ratings of the Rated Notes having been confirmed (or deemed to have been confirmed in the case of such ratings by Moody's) by each Rating Agency, the Balance standing to the credit of the Unused Proceeds Account will be transferred to the Principal Account and/or the Interest Account, in each case, at the discretion of the Collateral Manager (acting on behalf of the Issuer), provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Obligations, the Aggregate Principal Balance of which equals or exceeds the Target Par Amount (provided that, for the purposes of determining such Aggregate Principal Balance, any repayments or prepayments of Collateral Obligations, to the extent not reinvested in Collateral Obligations, may be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation shall be the lower of its S&P Collateral Value and its Moody's Collateral Value); and (ii) no more than one per cent. of the Collateral Principal Amount (provided that, for the purposes of determining the Collateral Principal Amount provided above, the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value) as of the Issue Date may be transferred to the Interest Account.

Within 15 Business Days following the Effective Date, the Collateral Administrator shall issue a report (the "**Effective Date Report**") containing the information required in a Monthly Report, confirming whether the Issuer has acquired or entered into a binding commitment to acquire Collateral Obligations having an Aggregate Principal Balance which equals or exceeds the Target Par Amount (as notified by the Collateral Manager), copies of which shall be forwarded to the Issuer, the Trustee, the Collateral Manager, each Hedge Counterparty and the Rating Agencies (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of Collateral Obligations subsequent to the Issue Date may be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value). Within 20 Business Days following the Effective Date the Issuer (or the Collateral Manager on its behalf) shall request that an independent accountant issues an accountants' certificate, copies of which shall be forwarded by the Issuer (or the Collateral Manager on its behalf) to the Issuer (as necessary), the Trustee and the Collateral Administrator, confirming the

Aggregate Principal Balance of all Collateral Obligations purchased or committed to be purchased as at such date and the computations and results of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test by reference to such Collateral Obligations. For the avoidance of doubt, no separate Monthly Report shall be required to be issued during the month in which the Effective Date Report is issued.

The Collateral Manager (acting on behalf of the Issuer) shall promptly, following receipt of the Effective Date Report, request that each of the Rating Agencies (to the extent not previously received) confirm its Initial Ratings of the Rated Notes, provided that if the Effective Date Moody's Condition is satisfied then such rating confirmation shall be deemed to have been received from Moody's. If the Effective Date Moody's Condition is not satisfied within 25 Business Days following the Effective Date the Collateral Manager shall promptly notify Moody's. If either:

(a) (i) the Effective Date Determination Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure; and

(ii) either (x) the Collateral Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to Moody's or (y) Rating Agency Confirmation is not received from Moody's in respect of such Rating Confirmation Plan following request therefor from the Collateral Manager; or

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

(c) Rating Agency Confirmation from S&P is not received following the Effective Date,

an Effective Date Rating Event shall have occurred. If an Effective Date Rating Event has occurred and is continuing on the Business Day prior to the Payment Date next following the Effective Date, the Rated Notes shall be redeemed, pursuant to Condition 7(e) (*Redemption upon Effective Date Rating Event*) on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payments, until the earlier of (x) the date on which the Effective Date Rating Event is no longer continuing and (y) the date on which the Rated Notes have been redeemed in full.

The Collateral Manager shall notify the Rating Agencies upon the discontinuance of an Effective Date Rating Event.

During such time as an Effective Date Rating Event shall have occurred and be continuing the Collateral Manager (acting on behalf of the Issuer) may prepare and present to the Rating Agencies a Rating Confirmation Plan setting forth the timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which will cause confirmation or reinstatement of the Initial Ratings. The Collateral Manager (acting on behalf of the Issuer) is under no obligation whatsoever to present a Rating Confirmation Plan to the Rating Agencies.

Eligibility Criteria

Each Collateral Obligation must, at the time of entering into a binding commitment to acquire such obligation by, or on behalf of, the Issuer, satisfy the following criteria (the "**Eligibility Criteria**") as determined by the Collateral Manager in its reasonable discretion:

(a) it is a Secured Senior Loan, a Secured Senior Bond, a Corporate Rescue Loan, an Unsecured Senior Loan, a Mezzanine Obligation, a Second Lien Loan, a First Lien Last Out Loan or a High Yield Bond;

(b) either (i) it is denominated in Euros and is not convertible into or payable in any other currency or (ii) (other than in the case of Revolving Obligations and Delayed Drawdown Collateral Obligations) it is denominated in a Qualifying Currency other than Euro and is not convertible into or payable in any other currency and the Issuer, with effect from the date of acquisition thereof and subject to satisfaction of the Hedging Condition, enters into a Currency Hedge Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such Non-Euro Obligation and otherwise complies with the requirements set out in respect of Non-Euro Obligations in the Collateral Management and Administration Agreement;

(c) it is not a Defaulted Obligation, a Credit Risk Obligation or Equity Security, including any obligation convertible into an Equity Security (other than at the Issuer's option);

(d) it is not a lease (including, for the avoidance of doubt, a financial lease);

(e) it is not a Structured Finance Security, pre-funded letter of credit or a Synthetic Security;

(f) it provides for a fixed amount of principal payable in cash on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;

(g) it is not a Zero Coupon Security, Step-Up Coupon Security or Step-Down Coupon Security;

(h) it does not constitute "margin stock" (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);

(i) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments to the Issuer will not be subject to withholding 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 (i) the Obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis or (ii) such withholding can be eliminated by an applicable double tax treaty or otherwise;

(j) (other than in respect of a Corporate Rescue Loan) it has an S&P Rating of not lower than "CCC-" and a Moody's Rating of not lower than "Caa3";

(k) it is not a debt obligation whose repayment is subject to substantial non-credit related risk, including catastrophe bonds or instruments whose repayment is conditional on the non-occurrence of certain catastrophes or similar events;

(l) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those: (i) which may arise at its option; (ii) which are fully collateralised; (iii) which are subject to limited recourse and priority of payment provisions similar to those set out in the Trust Deed; (iv) which are owed to the agent bank in relation to the performance of its duties under a Collateral Obligation; (v) which may arise as a result of an undertaking to participate in a financial restructuring of a Collateral Obligation where such undertaking is contingent upon the redemption in full of such Collateral Obligation on or before the time by which the Issuer is obliged to enter into the restructured Collateral Obligation and where the restructured Collateral Obligation satisfies the Eligibility Criteria and for the avoidance of doubt, the Issuer is not liable to pay any amounts in respect of a restructured Collateral Obligation; or (vi) which are Delayed Drawdown Collateral Obligations or Revolving Obligations, provided that, in respect of paragraph (v) only, that the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer following such restructuring shall not exceed the redemption amounts from such restructured Secured Senior Loan, Second Lien Loan or similar obligation;

(m) it does not have an "f", "r", "p", "pi", "(sf)" or "t" subscript assigned by S&P;

(n) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;

(o) it is not a debt obligation that pays scheduled interest less frequently than annually (other than, for the avoidance of doubt, PIK Securities);

(p) it is not subject to a tender offer, voluntary redemption, exchange offer, conversion or other similar action for a price less than its par amount plus all accrued and unpaid interest;

(q) the Collateral Obligation Stated Maturity thereof falls prior to the Maturity Date of the Rated Notes;

(r) its acquisition by the Issuer will not result in the imposition of stamp duty or stamp duty reserve tax payable by the Issuer, unless such stamp duty or stamp duty reserve tax has been included in the purchase price of such Collateral Obligation;

(s) upon acquisition, both (i) the Collateral Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest in favour of the Trustee for the benefit of the Secured Parties and (ii) (subject to (i) above) the Issuer (or the Collateral Manager on behalf of the Issuer) has notified the Trustee in the event that any Collateral Obligation that is a bond is held through the Custodian but not held through Euroclear or does not satisfy the requirements relating to Euroclear collateral specified in the Trust Deed and has taken such action as the Trustee may require to effect such security interest;

(t) is an obligation of an Obligor or Obligors Domiciled in a Non-Emerging Market Country (as determined by the Collateral Manager acting on behalf of the Issuer);

(u) it has not been called for, and is not subject to a pending, redemption;

(v) it is capable of being sold, assigned or participated to the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions or of any legal or regulatory requirements or the imposition of income taxes on the Issuer outside of Ireland and the Issuer does not require any authorisations, consents, approvals or filings (other than such as have been obtained or effected) as a result of or in connection with any such sale, assignment or participation under any applicable law;

(w) it is not an obligation in respect of which interest payments are scheduled to decrease (although interest payments may decrease due to unscheduled events such as a decrease of the index relating to a Floating Rate Collateral Obligation, the change from a default rate of interest to a non default rate or an improvement in the Obligor's financial condition);

(x) it is not an obligation whose acquisition by the Issuer will cause the Issuer to be deemed to have participated in a primary loan origination in the United States;

(y) it is not a Project Finance Loan;

(z) it is not an obligation of an Obligor that is a Portfolio Company;

(aa) it is in registered form for U.S. federal income tax purposes, unless it is not a "registration-required obligation" as defined in Section 163(f) of the U.S. Internal Revenue Code;

(bb) it is a "qualifying asset" for the purposes of section 110 of the TCA;

(cc) it is not a loan of an Obligor Domiciled in the United States originated by the Collateral Manager, provided that (i) loans that are syndicated to an initial lender group of greater than three and (ii) senior tranches of loans not originated by the Collateral Manager where mezzanine tranches of the senior loans were originated by the Collateral Manager, shall in either case not be counted as originated by the Collateral Manager;

(dd) 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 the holders thereof in the principal repayment profile or interest applicable on such obligation (for the avoidance of doubt, excluding any changes originally envisaged in the loan documentation) provided that in the case of a Collateral Obligation that is a bond, such percentage requirement shall refer to the percentage of holders required to approve a resolution on any such matter, either as a percentage of those attending a quorate bondholder meeting or as a percentage of all bondholders acting by way of a written resolution;

(ee) it has an S&P Rating and a Moody's Rating (or, in the case of a Corporate Rescue Loan, an Assigned Moody's Rating); and

(ff) it is not an obligation of an Obligor which has total current indebtedness (comprised of all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or delayed draw loans) under its respective loan agreements and other Underlying Instruments of less than EUR 50,000,000 (or its equivalent in any currency).

Other than (i) Issue Date Collateral Obligations which must satisfy the Eligibility Criteria on the Issue Date and (ii) Collateral Obligations which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Collateral Obligation or by way of substitution of new obligations and/or change of Obligor)

which must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date, the subsequent failure of any Collateral Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation so long as such obligation satisfied the Eligibility Criteria, when the Issuer or the Collateral Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation.

"**First Lien Last Out Loan**" means a Collateral Obligation that is an interest in a loan, the Underlying Instruments for which (i) may by its terms become subordinate in right of payment to any other secured obligation of the Obligor of such loan solely upon the occurrence of a default or event of default by the Obligor of such loan and (ii) is secured by a valid first priority security interest or lien in, to or on specified collateral securing the Obligor's obligations under the loan. A First Lien Last Out Loan shall be treated for all purposes as a Second Lien Loan; provided that for (i) above, the Collateral Obligation may be subordinate to a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower, having a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to 15 per cent.

"**Portfolio Company**" means any company that is controlled by the Collateral Manager, an Affiliate thereof, or an account, fund, client or portfolio established and controlled by the Collateral Manager or an Affiliate thereof;

"**Project Finance Loan**" means a loan obligation under which the obligor is obliged to make payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of payments) on revenues arising from infrastructure assets, including, without limitation:

(a) the sale of products, such as electricity, water, gas or oil, generated by one or more infrastructure assets in the utility industry by a special purpose entity; and

(b) fees charged in respect of one or more highways, bridges, tunnels, pipelines or other infrastructure assets by a special purpose entity, and in each case, the sole activity of such special purpose entity is the ownership and/or management of such asset or assets and the acquisition and/or development of such asset by the special purpose entity was effected primarily with the proceeds of debt financing made available to it on a limited recourse basis.

"**Structured Finance Security**" means any debt security which is secured directly, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"**Synthetic Security**" means a security or swap transaction (other than a letter of credit or a Participation) that has payments of interest or principal on a reference obligation or the credit performance of a reference obligation.

"**Step-Down Coupon Security**" means an obligation or security which by the terms of the related Underlying Instruments provides for a decrease in the per annum interest rate on such obligation or security (other than by reason of any change in the applicable index or benchmark rate used to determine such interest rate) or in the spread over the applicable index or benchmark rate, solely as a function of the passage of time; provided that an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Down Coupon Security.

"**Step-Up Coupon Security**" means an obligation or security which by the terms of the related underlying instruments provides for an increase in the per annum interest rate on such obligation or security, or in the spread over the applicable index or benchmark rate, solely as a function of the passage of time; provided that an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Up Coupon Security.

"**Zero Coupon Security**" means a security (other than a Step-Up Coupon Security or a Step-Down Coupon Security) that, at the time of issuance, does not provide for periodic payments of interest.

Restructured Obligations

In the event a Collateral Obligation becomes (as determined by the Issuer, assisted by the Collateral Manager) the subject of a restructuring whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an amendment of its maturity date) or by way of substitution of new

obligations and/or change of Obligor, such obligation shall only constitute a Restructured Obligation if such obligation satisfies each of the criteria comprising the Eligibility Criteria other than the criteria set out at paragraphs (c), (j), (q), (u) and (w) on the related Restructuring Date (the "**Restructured Obligation Criteria**"), as determined by the Collateral Manager in its reasonable discretion.

Management of the Portfolio

Overview

The Collateral Manager (acting on behalf of the Issuer) is permitted, in certain circumstances and, subject to certain requirements, to sell Collateral Obligations and Exchanged Equity Securities and to reinvest the Sale Proceeds (other than accrued interest on such Collateral Obligations included in Interest Proceeds by the Collateral Manager) thereof in Substitute Collateral Obligations. The Collateral Manager shall notify the Collateral Administrator of all necessary details of the Collateral Obligation or Exchanged Equity Security to be sold and the proposed Substitute Collateral Obligation to be purchased and the Collateral Administrator (on behalf of the Issuer) shall determine and shall provide confirmation of whether the Portfolio Profile Tests and Reinvestment Criteria which are required to be satisfied, maintained or improved in connection with any such sale or reinvestment are satisfied, maintained or improved or, if any such criteria are not satisfied, maintained or improved, shall notify the Issuer and the Collateral Manager of the reasons and the extent to which such criteria are not so satisfied, maintained or improved.

The Collateral Manager will determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Obligations (including all Substitute Collateral Obligations) taking into account the Eligibility Criteria and the other requirements set out in the Collateral Management and Administration Agreement and will monitor the performance of the Collateral Obligations on an ongoing basis using sources of information reasonably available to it and provided that the Collateral Manager shall not be responsible for determining whether or not the terms of any individual Collateral Obligation have been observed.

The activities referred to below that the Collateral Manager may undertake on behalf of the Issuer are subject to the Issuer's monitoring of the performance of the Collateral Manager under the Collateral Management and Administration Agreement.

Sale of Issue Date Collateral Obligations

The Collateral Manager, acting on behalf of the Issuer shall sell any Issue Date Collateral Obligations which do not comply with the Eligibility Criteria on the Issue Date (each a "**Non-Eligible Issue Date Collateral Obligation**").

Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Obligations satisfying the Eligibility Criteria or credited to the Principal Account pending such reinvestment.

Terms and Conditions applicable to the Sale of Credit Risk Obligations, Credit Improved Obligations, Defaulted Obligations and Equity Securities.

Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Collateral Manager (acting on behalf of the Issuer) subject to (a) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Note Event of Default has occurred which is continuing, provided, however that any sale may nonetheless occur if the consent of the Controlling Class acting by Ordinary Resolution has been obtained, and (b) the Collateral Manager certifying to the Trustee and the Collateral Administrator that it believes, in its reasonable business judgment, that such security constitutes a Credit Risk Obligation, a Credit Improved Obligation or a Defaulted Obligation as the case may be.

The Collateral Manager shall use commercially reasonable efforts to effect the sale of any Equity Securities in the Portfolio, regardless of the price received for such Equity Securities, within three years of such Equity Securities entering the Portfolio.

Terms and Conditions applicable to the Sale of Exchanged Equity Securities

Any Exchanged Equity Security may be sold at any time by the Collateral Manager in its discretion (acting on behalf of the Issuer), subject to, to the Collateral Manager's knowledge (without the need for inquiry or

investigation), no Note Event of Default has occurred which is continuing, provided, however any sale may nonetheless occur if the consent of the Controlling Class acting by Ordinary Resolution has been obtained.

In addition to any discretionary sale of Exchanged Equity Securities as provided above, the Collateral Manager shall be required by the Issuer to use its commercially reasonable efforts to sell (on behalf of the Issuer) any Exchanged Equity Security which constitutes Margin Stock, as soon as practicable upon its receipt or upon its becoming Margin Stock (as applicable), unless such sale is prohibited by applicable law, in which case such Exchanged Equity Security shall be sold as soon as such sale is permitted by applicable law.

Discretionary Sales

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may dispose of any Collateral Obligation (other than a Credit Improved Obligation, a Credit Risk Obligation, a Defaulted Obligation, an Equity Security or an Exchanged Equity Security, each of which may only be sold in the circumstances provided above) at any time (other than during a Restricted Trading Period) provided:

(a) no Note Event of Default having occurred which is continuing (in the case of the Collateral Manager, to its knowledge, without the need for inquiry or investigation);

(b) after giving effect to such sale, the Aggregate Principal Balance of all Collateral Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Issue Date) is not greater than 30 per cent. of the Collateral Principal Amount as of the first day of such 12 calendar month period (or as of the Issue Date, as the case may be);

(c) either:

(i) during the Reinvestment Period, the Collateral Manager reasonably believes prior to such sale that it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such sale in one or more additional Collateral Obligations with an Aggregate Principal Balance at least equal to the Investment Criteria Adjusted Balance of such sold Collateral Obligation within 60 days after the settlement of such sale in accordance with the Reinvestment Criteria; or

(ii) after the Reinvestment Period: (1) the Sale Proceeds from such sale are at least equal to the Investment Criteria Adjusted Balance of such Collateral Obligation; or (2) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the Sale Proceeds of such sale and for such purpose the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and its S&P Collateral Value) plus, without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Account) (including Eligible Investments therein) will be greater than (or equal to) the Reinvestment Target Par Balance (as defined below); and

(d) while Spire Partners LLP is the Collateral Manager, after the occurrence of a Key Person Trigger, the holders of the Subordinated Notes have not by Ordinary Resolution instructed the Issuer in writing to suspend the ability of the Collateral Manager to (i) dispose of Collateral Obligations (other than Credit Improved Obligations, Credit Risk Obligations, Defaulted Obligations, Equity Securities or Exchanged Equity Securities) and (ii) acquire Substitute Collateral Obligations (and such suspension will be in place until a replacement Key Person is appointed in accordance with the terms of the Collateral Management and Administration Agreement).

"**Investment Criteria Adjusted Balance**" means with respect to a Collateral Obligation, the Principal Balance of such Collateral Obligation, provided that the Investment Criteria Adjusted Balance of:

(a) a Deferring Security shall be the lesser of:

(i) its S&P Collateral Value; and

(ii) its Moody's Collateral Value;

(b) a Discount Obligation shall be the product of such obligation's:

(i) purchase price (expressed as a percentage of par); and

(ii) Principal Balance; and

(c) a Collateral Obligation which has been included in the calculation of the CCC/Caa Excess shall be the product of its Market Value and its Principal Balance,

provided that if a Collateral Obligation satisfies two or more of (a) through (c) above, the Investment Criteria Adjusted Balance of such Collateral Obligation shall be calculated using the category which results in the lowest value.

Sale of Collateral Prior to Maturity Date

In the event of: (i) any redemption of the Rated Notes in whole prior to the Maturity Date; (ii) receipt of notification from the Trustee of enforcement of the security over the Collateral; or (iii) the purchase of Notes of any Class by the Issuer, the Collateral Manager (acting on behalf of the Issuer) will (at the direction of the Trustee following the enforcement of such security), as far as practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date or date of purchase and sell all or part of the Portfolio, as applicable, in accordance with Condition 7 (*Redemption and Purchase*) and clause 5 (*Realisation of Collateral*) of the Collateral Management and Administration Agreement but without regard to the limitations set out in clause 4 (Sale and Reinvestment of Portfolio Assets) and Schedule 4 (Reinvestment Criteria) of the Collateral Management and Administration Agreement.

Sale of Assets which do not Constitute Collateral Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Collateral Management and Administration Agreement, the Collateral Manager shall use commercially reasonable efforts to sell such asset. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Reinvestment of Collateral Obligations

"**Reinvestment Criteria**" means, during the Reinvestment Period, the criteria set out under "During the Reinvestment Period" below and following the expiry of the Reinvestment Period, the criteria set out below under "Following the Expiry of the Reinvestment Period". The Reinvestment Criteria except satisfaction of the Eligibility Criteria shall not apply prior to the Effective Date or in the case of a Collateral Obligation which has been restructured where such restructuring has become binding on the holders thereof.

During the Reinvestment Period

During the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) may, at its discretion, reinvest any Principal Proceeds in the purchase of Substitute Collateral Obligations satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Collateral Obligation and taking into account existing commitments, the criteria set out below must be satisfied:

(a) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Note Event of Default has occurred which is continuing;

(b) on and after the Effective Date (or in the case of the Interest Coverage Tests, the third Payment Date) the Coverage Tests are satisfied or if (other than with respect to the reinvestment of any proceeds received upon the sale of, or as a recovery on, any Defaulted Obligation) as calculated immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Obligation(s) the Principal Proceeds of which are being reinvested, any Coverage Test was not satisfied, the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment than it was immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Obligation(s);

(c) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds of a Credit Risk Obligation or a Defaulted Obligation either:

(i) the Aggregate Principal Balance of all Substitute Collateral Obligations purchased with such Sale Proceeds shall at least equal such Sale Proceeds; or

(ii) the sum of: (A) the Aggregate Principal Balance (for such purpose the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and its S&P Collateral Value) of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligation); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments) standing to the credit of such accounts (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Account)) is greater than the Reinvestment Target Par Balance;

(d) in the case of Substitute Collateral Obligations purchased with Sale Proceeds of a Credit Improved Obligation either:

(i) the Aggregate Principal Balance of such Substitute Collateral Obligations is no less than the Principal Balance of the relevant Credit Improved Obligation; or

(ii) the sum of: (A) the Aggregate Principal Balance (for such purpose the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and its S&P Collateral Value) of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligation); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments) standing to the credit of such accounts (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Account)) is greater than the Reinvestment Target Par Balance;

(e) either: (A) each of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied; or (B) if any of the Portfolio Profile Tests or Collateral Quality Tests are not satisfied such tests will be maintained or improved after giving effect to such reinvestment than they were immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Obligation(s), save that this paragraph (e) shall not apply in respect of the S&P CDO Monitor Test in the case of the reinvestment of Sale Proceeds from Credit Impaired Obligations and Defaulted Obligations;

(f) the date on which the Issuer (or the Collateral Manager acting on behalf of the Issuer) enters into a binding commitment to purchase such Substitute Collateral Obligation occurs during the Reinvestment Period;

(g) with respect to the reinvestment of Sale Proceeds (other than Sale Proceeds from Credit Improved Obligations, Credit Risk Obligations, Defaulted Obligations and Exchanged Equity Securities) either:

(i) the Principal Balance of such substitute Collateral Obligation is no less than the Principal Balance of the Collateral Obligation being sold; or

(ii) after giving effect to such sale, the sum of: (A) the Aggregate Principal Balance (for such purpose the Principal Balance of each Defaulted Obligation shall be the lower of its Moody's Collateral Value and its S&P Collateral Value) of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Substitute Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligations); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments) standing to the credit of such accounts (to the extent such amounts have not and will not be designated as Interest Proceeds to be credited to the Interest Account)) is greater than the Reinvestment Target Par Balance,

provided that, for the avoidance of doubt, with respect to any Collateral Obligations for which the trade date has occurred during the Reinvestment Period but which settle after such date, the purchase of such Collateral Obligations shall be treated as a purchase made during the Reinvestment Period for purposes of the Trust Deed; and

(h) while Spire Partners LLP is the Collateral Manager, after the occurrence of a Key Person Trigger, the holders of the Subordinated Notes have not by Ordinary Resolution instructed the Issuer in writing to suspend the ability of the Collateral Manager to (i) dispose of Collateral Obligations (other than Credit Improved Obligations, Credit Risk Obligations, Defaulted Obligations, Equity Securities or Exchanged Equity Securities) and (ii) acquire Substitute Collateral Obligations (and such suspension will be in place until a replacement Key Person is appointed in accordance with the terms of the Collateral Management and Administration Agreement).

"**Reinvestment Target Par Balance**" means, as of any date of determination, the Target Par Amount minus: (i) the amount of any reduction in the Principal Amount Outstanding of the Notes and plus (ii) the Principal Amount Outstanding of any additional Notes issued pursuant to Condition 17 (*Additional Issuances*), or, if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Notes.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations and Unscheduled Principal Proceeds, only, may be reinvested by the Collateral Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Obligations satisfying the Eligibility Criteria, in each case provided that:

(a) the Aggregate Principal Balance of Substitute Collateral Obligations equals or exceeds (i) the Aggregate Principal Balance of the related Collateral Obligations that produced such Unscheduled Principal Proceeds or of such Credit Improved Obligation, as the case may be or (ii) the amount of Sale Proceeds of such Credit Risk Obligation, as the case may be;

(b) the Weighted Average Life Test is satisfied immediately after giving effect to such reinvestment;

(c) the Moody's Maximum Weighted Average Rating Factor Test is satisfied after giving effect to such reinvestment;

(d) all Par Value Tests are satisfied before and after giving effect to such reinvestment;

(e) (i) the ratings of the Class A Notes have not been withdrawn or downgraded below their ratings on the Issue Date by either Rating Agency unless such ratings have been restored to the ratings assigned thereto on the Issue Date and (ii) the ratings of the Class B Notes have not been withdrawn or downgraded by more than one sub category below their ratings on the Issue Date by either Rating Agency unless such ratings have been restored to the ratings assigned thereto on the Issue Date;

(f) either: (I) the Portfolio Profile Tests and the Collateral Quality Tests (except the Weighted Average Life Test, the S&P CDO Monitor Test and the Moody's Maximum Weighted Average Rating Factor Test) are satisfied; or (II) if any such test was not satisfied immediately prior to such investment, such test will be satisfied after giving effect to such reinvestment or will be maintained or improved after giving effect to such reinvestment;

(g) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Note Event of Default has occurred which is continuing;

(h) (i) the Collateral Obligation Stated Maturity of each Substitute Collateral Obligation is the same as or earlier than the Collateral Obligation Stated Maturity of the Collateral Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds; and (ii) such Substitute Collateral Obligations have the same or a higher S&P Rating as the Collateral Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds; and

(i) after giving effect to such reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations;

(j) after giving effect to such reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations; and

(k) while Spire Partners LLP is the Collateral Manager, after the occurrence of a Key Person Trigger, the holders of the Subordinated Notes have not by Ordinary Resolution instructed the Issuer in writing to suspend the ability of the Collateral Manager to (i) dispose of Collateral Obligations (other than Credit Improved Obligations, Credit Risk Obligations, Defaulted Obligations, Equity Securities or Exchanged Equity Securities) and (ii) acquire Substitute Collateral Obligations (and such suspension will be in place until a replacement Key Person is appointed in accordance with the terms of the Collateral Management and Administration Agreement).

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payment on the following Payment Date (subject as provided at the end of this paragraph), save that the Collateral Manager (acting on behalf of the Issuer) may in its discretion procure that Unscheduled Principal Proceeds and Sale Proceeds from the sale of any Credit Risk Obligations and Credit Improved Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Proceeds Priority of Payments for so long as they remain so designated for reinvestment but for no longer than the later of (A) 30 Business Days following their receipt by the Issuer and (B) the end of the following Due Period; provided that, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Determination Date next following receipt of such Sale Proceeds or Unscheduled Principal Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the Priorities of Payments.

Unsaleable Assets

Notwithstanding the other requirements set forth herein and in the Trust Deed, on any Business Day after the Reinvestment Period, the Collateral Manager, in its sole discretion, may conduct an auction on behalf of the Issuer of Unsaleable Assets in accordance with the procedures described in this paragraph. Promptly after receipt of written notice from the Collateral Manager of such auction, the Trustee will provide notice (in such form as is prepared by the Collateral Manager) to the Noteholders of an auction, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures: (i) any Noteholder may submit a written bid within 10 Business Days after the date of such notice to purchase one or more Unsaleable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice); (ii) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice; (iii) if no Noteholder submits such a bid within the time period specified under clause (i) above, unless the Collateral Manager determines that delivery in kind is not legally or commercially practicable and provides written notice thereof to the Principal Paying Agent, the Principal Paying Agent will provide notice thereof to each Noteholder and offer to deliver (at such Noteholder's expense) a *pro rata* portion (as determined by the Collateral Manager) of each unsold Unsaleable Asset to the Noteholders or beneficial owners of the most senior Class that provide delivery instructions to the Collateral Administrator on or before the date specified in such notice, subject to minimum denominations; provided that, to the extent that minimum denominations do not permit a *pro rata* distribution, the Collateral Administrator will distribute the Unsaleable Assets on a *pro rata* basis to the extent possible and the Collateral Manager will select by lottery the Noteholder or beneficial owner to whom the remaining amount will be delivered and deliver written notice thereof to the Collateral Administrator; provided, further, that the Collateral Administrator will use commercially reasonable efforts to effect delivery of such interests; and (iv) if no such Noteholder or beneficial owner provides delivery instructions to the Collateral Administrator, the Collateral Administrator will promptly notify the Collateral Manager and offer to deliver (at the cost of the Collateral Manager) the Unsaleable Asset to the Collateral Manager. If the Collateral Manager declines such offer, the Collateral Administrator will take such action as directed by the Collateral Manager (on behalf of the Issuer) in writing to dispose of the Unsaleable Asset, which may be by donation to a charity, abandonment or other means.

"**Unsaleable Assets**" means (a)(i) a Defaulted Obligation, (ii) an Equity Security or (iii) an obligation received in connection with an Offer, in a restructuring or plan of reorganisation with respect to the obligor, in each case, in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any

Collateral Obligation or Eligible Investment identified in an officer's certificate of the Collateral Manager as having the product of its Principal Balance and Market Value less than Euro 1,000, in the case of each of (a) and (b) with respect to which the Collateral Manager certifies to the Trustee (upon which certificate the Trustee shall rely absolutely and without further enquiry or liability) that (x) it has made commercially reasonable efforts to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

Amendments to Collateral Obligation Stated Maturities of Collateral Obligations

The Issuer (or the Collateral Manager on the Issuer's behalf) may vote in favour of a Maturity Amendment only if, after giving effect to such Maturity Amendment: (a) the Collateral Obligation Stated Maturity of the Collateral Obligation that is the subject of such Maturity Amendment is not later than the Maturity Date of the Rated Notes; and (b) the Weighted Average Life Test is satisfied as determined by the Collateral Manager. If the Issuer or the Collateral Manager has not voted in favour of a Maturity Amendment which would contravene the requirements of this paragraph but by way of scheme of arrangement or otherwise, the Collateral Obligation Stated Maturity has been extended, the Issuer or the Collateral Manager acting on its behalf may but shall not be required to sell such Collateral Obligation provided that in any event the Collateral Manager shall dispose of such Collateral Obligation prior to the Maturity Date. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

"**Maturity Amendment**" means with respect to any Collateral Obligation, any waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of such Collateral Obligation. For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of the credit facility of which a Collateral Obligation is part, but would not extend the Collateral Obligation Stated Maturity of the Collateral Obligation held by the Issuer, does not constitute a Maturity Amendment.

Expiry of the Reinvestment Criteria Certification

Immediately preceding the end of the Reinvestment Period, the Collateral Manager will deliver to the Trustee and the Collateral Administrator a schedule of Collateral Obligations purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available (including for this purpose, cash on deposit in the Principal Account, any scheduled distributions of Principal Proceeds, as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Obligations.

Reinvestment Overcollateralisation Test

If, on any Payment Date during the Reinvestment Period, after giving effect to the payment of all amounts payable in respect of paragraphs (A) to (V) (inclusive) of the Interest Proceeds Priority of Payments, the Reinvestment Overcollateralisation Test has not been met, Interest Proceeds shall be applied to the payment to the Principal Account as Principal Proceeds for the acquisition of additional Collateral Obligations, in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (x) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) of the Interest Proceeds Priority of Payments and (y) the amount which, after giving effect to such payment, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied if recalculated immediately following such payment.

Designation for Reinvestment

After the expiry of the Reinvestment Period, the Collateral Manager shall, one Business Day following each Determination Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Collateral Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of Collateral Management and Administration Agreement as described above) shall remain designated for reinvestment in accordance with the Reinvestment Criteria, on or after the following Payment Date in which event such Principal Proceeds shall not constitute Principal Proceeds which are to be paid into the Payment Account and disbursed on such Payment Date in accordance with the Priorities of Payments.

The Collateral Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Collateral Obligation which represents accrued interest be designated as Interest Proceeds and paid into the Interest Account save for: (i) Purchased Accrued Interest; (ii) any interest received in respect of any Mezzanine

Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; and (iii) any interest received in respect of a Defaulted Obligation for so long as it is a Defaulted Obligation other than Defaulted Obligation Excess Amounts.

Accrued Interest

Amounts included in the purchase price of any Collateral Obligation comprising accrued interest thereon may be paid from the Interest Account, the Principal Account or the Unused Proceeds Account at the discretion of the Collateral Manager (acting on behalf of the Issuer) but subject to the terms of the Collateral Management and Administration Agreement and Condition 3(j) (*Payments to and from the Accounts*). Notwithstanding the foregoing, in any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Obligation or Eligible Investment, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms) or Eligible Investment, which was purchased at the time of acquisition thereof with Principal Proceeds and/or principal amounts from the Unused Proceeds Account shall constitute "**Purchased Accrued Interest**" and shall be deposited into the Principal Account as Principal Proceeds.

Block Trades

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Collateral Obligations on any day in the event that such Collateral Obligations satisfy such requirements in aggregate rather than on an individual basis.

For the purpose of calculating compliance with the Reinvestment Criteria at the election of the Collateral Manager in its sole discretion, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Collateral Manager as such at the time (the "**Initial Trading Plan Calculation Date**") when compliance with the Reinvestment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the ten Business Days following the date of determination of such compliance (such period, the "**Trading Plan Period**"); provided that: (i) no Trading Plan may result in the purchase of Collateral Obligations having an Aggregate Principal Balance that exceeds 5 per cent. of the Collateral Principal Amount as of the first day of the Trading Plan Period (for which purposes, the Principal Balance of each Defaulted Obligation will be the lower of its Moody's Collateral Value and its S&P Collateral Value); (ii) no Trading Plan Period may include a Determination Date; (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; and (iv) if the Reinvestment Criteria are satisfied prospectively after giving effect to a Trading Plan, but are not satisfied upon the completion of the related Trading Plan, Rating Agency Confirmation from Moody's is obtained with respect to the effectiveness of additional Trading Plans (it being understood that Rating Agency Confirmation from Moody's shall only be required once following any failure of a Trading Plan); provided that no Trading Plan may result in the averaging of the purchase price of a Collateral Obligation or Collateral Obligations purchased at separate times for purposes of determining whether any particular Collateral Obligation is a Discount Obligation. For the avoidance of doubt, compliance with the Reinvestment Criteria upon completion of a Trading Plan pursuant to (iv) above, shall be calculated with respect to those Collateral Obligations that were actually sold and/or purchased as part of the relevant Trading Plan on the basis of data used as at the Initial Trading Plan Calculation Date.

Eligible Investments

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may from time to time purchase Eligible Investments out of the Balances standing to the credit of the Accounts (other than each Counterparty Downgrade Collateral Account, Unfunded Revolver Reserve Account and the Payment Account). For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Collateral Manager (acting on behalf of the Issuer) at any time.

Collateral Enhancement Obligations

The Collateral Manager (acting on behalf of the Issuer) may, from time to time, purchase Collateral Enhancement Obligations independently or as part of a unit with the Collateral Obligations being so purchased.

All funds required in respect of the purchase price of any Collateral Enhancement Obligations, and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the Balance standing to the credit of the Supplemental Reserve Account at the relevant time. Pursuant to Condition 3(j)(vi) (*Supplemental Reserve Account*), such Balance shall be comprised of all sums deposited therein from time to time which will comprise: (i) interest payable in respect of the Subordinated Notes which the Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the Supplemental Reserve Account during the Reinvestment Period pursuant to the Priorities of Payments rather than being paid to the Subordinated Noteholders, as a "**Supplemental Reserve Amount**" subject to the limits set out in the definition thereof; and (ii) the amount of any Reinvestment Amounts contributed by a Reinvesting Noteholder and deposited into the Supplemental Reserve Account during the Reinvestment Period in accordance with the Conditions and the Trust Deed.

Collateral Enhancement Obligations may be sold at any time by the Issuer, or the Collateral Manager on behalf of the Issuer, and all Collateral Enhancement Obligation Proceeds received by the Issuer shall be deposited into the Principal Account for allocation in accordance with the Principal Proceeds Priority of Payments.

Collateral Enhancement Obligations and any income or return generated thereby are not taken into account for the purposes of determining satisfaction of, or required to satisfy, any of the Coverage Tests, Portfolio Profile Tests, Reinvestment Overcollateralisation Test or Collateral Quality Tests.

Exercise of Warrants and Options

The Collateral Manager acting on behalf of the Issuer, may, at any time exercise a warrant or option attached to a Collateral Obligation or comprised in a Collateral Enhancement Obligation and shall on behalf of the Issuer instruct the Account Bank through an Issuer Order to make any necessary payment out of amounts standing to the credit of the Supplemental Reserve Account.

Margin Stock

The Collateral Management and Administration Agreement requires that the Collateral Manager, on behalf of the Issuer, shall use reasonable endeavours to sell any Collateral Obligation, Exchanged Equity Security or Collateral Enhancement Obligation which is or at any time becomes Margin Stock as soon as practicable following such event.

"**Margin Stock**" means margin stock as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into Margin Stock.

Revolving Obligations and Delayed Drawdown Collateral Obligations

The Collateral Manager acting on behalf of the Issuer, may acquire Collateral Obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations from time to time.

Such Revolving Obligations and Delayed Drawdown Collateral Obligations may only be acquired if they are capable of being drawn in a single currency only (being Euros) and are not payable in or convertible into another currency.

Each Revolving Obligation and Delayed Drawdown Collateral Obligation will, pursuant to its terms, require the Issuer to make one or more future advances or other extensions of credit (including extensions of credit made on an unfunded basis pursuant to which the Issuer may be required to reimburse the provider of a guarantee or other ancillary facilities made available to the obligor thereof in the event of any default by the obligor thereof in respect of its reimbursement obligations in connection therewith). Such Revolving Obligations and Delayed Drawdown Collateral Obligations may or may not provide that they may be repaid and reborrowed from time to time by the Obligor thereunder. Upon acquisition of any Revolving Obligations and Delayed Drawdown Collateral Obligations, the Issuer shall deposit into the Unfunded Revolver Reserve Account amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations. To the extent required, the Issuer, or the Collateral Manager acting on its behalf, may direct that amounts standing to the credit of the Unfunded Revolver Reserve Account be deposited with a third party from time to time as collateral for any reimbursement or indemnification obligations owed by the Issuer to any other lender in connection with a Revolving Obligation or a Delayed Drawdown Collateral Obligation, as applicable and upon receipt of an Issuer Order (as defined in the Collateral

Management and Administration Agreement) the Trustee shall release such amounts from the security granted thereover pursuant to the Trust Deed.

Participations

The Collateral Manager acting on behalf of the Issuer, may from time to time acquire Collateral Obligations from Selling Institutions by way of Participation provided that at the time such Participation is taken:

(a) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with a single Selling Institution will not exceed the individual percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and

(b) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with Selling Institutions (or any guarantor thereof), each having the same credit rating (taking the lowest rating assigned thereto by any Rating Agency), will not exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating,

and for the purpose of determining the foregoing, account shall be taken of each sub participation from which the Issuer, directly or indirectly derives its interest in the relevant Collateral Obligation.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

(a) the LSTA Model Participation Agreement for par/near par trades (as published by the Loan Syndications and Trading Association Inc. from time to time);

(b) the LMA Funded Participation (Par) (as published by the Loan Market Association from time to time); or

(c) such other documentation,

provided that, in each case, such agreement contains limited recourse and non-petition language substantially the same as the Trust Deed.

Assignments

The Collateral Manager acting on behalf of the Issuer, may from time to time acquire Collateral Obligations from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired the Collateral Manager acting on behalf of the Issuer shall have complied, to the extent within their control, with any requirements relating to such Assignment set out in the relevant loan documentation for such Collateral Obligation (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

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

Bivariate Risk Table

The following is the bivariate risk table (the "**Bivariate Risk Table**") as referred to in "**Participations**" above. For the purposes of the limits specified in the Bivariate Risk Table, the individual third party credit exposure limit shall be determined by reference to the Aggregate Principal Balance of all Participations (excluding any Defaulted Obligations) entered into by the Issuer with the same counterparty (such amount in respect of such entity, the "**Third Party Exposure**") and the applicable percentage limits shall be determined by reference to the lower of the Moody's or S&P ratings applicable to such counterparty and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Bivariate Risk Table

Issuer Credit Rating	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
S&P		
AAA	5 per cent.	10 per cent.
AA+	5 per cent.	10 per cent.
AA	5 per cent.	10 per cent.
AA-	5 per cent.	10 per cent.
A+	5 per cent.	5 per cent.
A and A-1	5 per cent.	5 per cent.
A- or below	0 per cent.	0 per cent.
Moody's		
Aaa	5 per cent.	10 per cent.
Aa1	5 per cent.	10 per cent.
Aa2	5 per cent.	10 per cent.
Aa3	5 per cent.	10 per cent.
A1	5 per cent.	10 per cent.
A2 and P-1	5 per cent.	5 per cent.
A3 or below	0 per cent.	0 per cent.

* As a percentage of the Collateral Principal Amount (excluding any Defaulted Obligations) the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Portfolio Profile Tests and Collateral Quality Tests

Measurement of Tests

The Portfolio Profile Tests and the Collateral Quality Tests will be used as criteria for purchasing Collateral Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

For the purposes of the Portfolio Profile Tests and the Collateral Quality Tests:

(a) Collateral Obligations in respect of which a binding commitment has been made by the Issuer (or the Collateral Manager acting on behalf of the Issuer) to purchase such Collateral Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased; and

(b) Collateral Obligations in respect of which a binding commitment has been made by the Issuer (or the Collateral Manager acting on behalf of the Issuer) to sell such Collateral Obligations but such sale has not yet been settled shall nonetheless be deemed to have been sold,

provided however, that there shall also be deemed to have been made such debits and/or credits to the Accounts representing the purchase price to be paid and/or the Sale Proceeds to be received in respect of such deemed purchase and/or sale.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

(a) not less than 90 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Loans or Secured Senior Bonds (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Loans and Secured Senior Bonds and the Balances standing to the credit of the Principal Account (including Eligible Investments therein representing Principal Proceeds) and the Unused Proceeds Account (to the extent such amounts have not been designated for transfer to the Interest Account by the Collateral Manager in accordance with paragraph (4) of Condition 3(j)(iii) (*Unused Proceeds Account*)) (including Eligible Investments therein representing such amounts), in each case as at the relevant Measurement Date);

(b) not more than 10 per cent. of the Collateral Principal Amount shall consist of Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds;

(c) not more than 40 per cent. of the Collateral Principal Amount shall consist of Senior Secured Floating Rate Notes;

(d) not more than 2.5 per cent. of the Collateral Principal Amount shall be the obligation of any single Obligor provided that the Aggregate Principal Balance of 5 Obligors may each represent up to 3 per cent. of the Collateral Principal Amount; and provided further that with respect to Collateral Obligations which are not Secured Senior Loans or Secured Senior Bonds, not more than 2 per cent. of the Collateral Principal Amount shall be the obligation of any single Obligor;

(e) not more than 30 per cent. of the Collateral Principal Amount shall consist of Non-Euro Obligations (provided a corresponding Currency Hedge Transaction is entered into);

(f) not more than 10 per cent. of the Collateral Principal Amount shall consist of Participations;

(g) not more than 5 per cent. of the Collateral Principal Amount shall consist of Current Pay Obligations;

(h) not more than 5 per cent. of the Collateral Principal Amount shall consist of obligations which are Unfunded Amounts and Funded Amounts under Revolving Obligations or Delayed Drawdown Collateral Obligations;

(i) not more than 5 per cent. of the Collateral Principal Amount shall consist of obligations which pay scheduled interest less frequently than semi-annually (other than PIK Securities);

(j) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations;

(k) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations;

(l) not more than 3 per cent. of the Collateral Principal Amount shall consist of Bridge Loans;

(m) not more than 5 per cent. of the Collateral Principal Amount shall consist of Corporate Rescue Loans; provided that not more than 1.5 per cent. shall consist of Corporate Rescue Loans from a single Obligor;

(n) not more than 5 per cent. of the Collateral Principal Amount shall consist of PIK Securities;

(o) not more than 25 per cent. of the Collateral Principal Amount shall consist of Cov-Lite Loans;

(p) not more than 10 per cent. of the Collateral Principal Amount shall consist of Fixed Rate Collateral Obligations;

(q) not more than 17.5 per cent. of the Collateral Principal Amount shall be obligations comprising any one S&P industry classification provided that any two S&P industry classifications may comprise up to 30 per cent. in aggregate of the Collateral Principal Amount;

(r) not more than 10 per cent. of the Collateral Principal Amount shall consist of obligations whose Moody's Rating is derived from an S&P rating;

(s) not more than 10 per cent. of the Collateral Principal Amount shall consist of obligations whose S&P Rating is derived from a Moody's rating;

(t) not more than 10 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in Non-Emerging Market Countries the local currency country bond ceiling rating by Moody's of which is below "Aa3" and no lower than "Baa3" unless Rating Agency Confirmation from Moody's is obtained;

(u) not more than 10 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in Non-Emerging Market Countries rated below "A-" by S&P; and

(v) not more than 5 per cent. of the Collateral Principal Amount shall consist of Collateral Obligations issued by Obligors each of which has total current indebtedness (comprised of all financial debt owing by the Obligor including the maximum available amount or total commitment under any revolving or

delayed draw loans) under their respective loan agreements and other Underlying Instruments greater than or equal to EUR 50,000,000 and less than EUR 100,000,000 (or its equivalent in any currency).

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

"**Cov-Lite Loan**" means a Collateral Obligation, as determined by the Collateral Manager in its reasonable commercial judgment, that is an interest in a loan, the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the borrower thereunder to comply with any maintenance covenant (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by such Underlying Instruments); provided that, for all purposes other than the determination of the S&P Recovery Rate for such loan, a loan described in clause (i) or (ii) above which either contains a cross-default provision to, or is *pari passu* with, another loan of the underlying obligor that requires the underlying obligor to comply with a maintenance covenant will be deemed not to be a Cov-Lite Loan.

The percentage requirements applicable to different types of Collateral Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Principal Balance of such type of Collateral Obligations, excluding Defaulted Obligations.

Collateral Quality Tests

The Collateral Quality Tests will consist of each of the following:

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

(i) (as of the Effective Date and until the expiry of the Reinvestment Period only) the S&P CDO Monitor Test; and

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

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

(i) the Moody's Minimum Diversity Test;

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

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

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

(i) the Minimum Weighted Average Floating Spread Test;

(ii) the Minimum Weighted Average Coupon Test; and

(iii) the Weighted Average Life Test,

each as defined in the Collateral Management and Administration Agreement.

Moody's Test Matrix

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Collateral Management and Administration Agreement (the "**Moody's Test Matrix**") shall be applicable for purposes of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Minimum Weighted Average Floating Spread Test. For any given case:

(a) the applicable column for performing the Moody's Minimum Diversity Test will be the column (or linear interpolation between two adjacent columns, as applicable) in which the elected case is set out;

(b) the applicable row and column for performing the Moody's Maximum Weighted Average Rating Factor Test will be the row and column (or linear interpolation between two adjacent rows and/or two adjacent columns, as applicable, in which the elected case is set out); and

(c) the applicable row for performing the Minimum Weighted Average Floating Spread Test will be the row (or linear interpolation between two adjacent rows, as applicable) in which the elected test is set out.

On the Effective Date, the Collateral Manager will be required to elect which case shall apply initially. Thereafter, on ten Business Days' notice to the Issuer, the Trustee, the Collateral Administrator and Moody's, the Collateral Manager may elect to have a different case apply, provided that the Moody's Minimum Diversity Test, the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Floating Spread Test applicable to the case to which the Collateral Manager desires to change are satisfied (and, in relation to the Minimum Weighted Average Floating Spread Test, taking into account the case that the Collateral Manager has elected to apply under the S&P Matrix) or, in the case of any tests that are not satisfied, are closer to being satisfied. In no event will the Collateral Manager be obliged to elect to have a different case apply.

Moody's Test Matrix

Minimum WAS	**Diversity**												
	25	**27**	**29**	**31**	**33**	**35**	**37**	**39**	**41**	**43**	**45**	**47**	**49**
2.85%	1845	1873	1902	1911	1939	1958	1977	1986	2005	2014	2023	2042	2052
3.05%	2068	2087	2115	2134	2162	2180	2199	2218	2227	2246	2255	2265	2284
3.15%	2173	2192	2230	2248	2267	2286	2305	2323	2342	2352	2370	2380	2398
3.25%	2267	2305	2333	2361	2380	2398	2417	2436	2445	2464	2483	2492	2502
3.35%	2341	2378	2406	2434	2453	2472	2491	2525	2534	2553	2572	2581	2591
3.45%	2379	2430	2472	2508	2544	2573	2597	2625	2652	2674	2694	2716	2723
3.55%	2420	2466	2518	2554	2590	2620	2650	2677	2700	2722	2743	2763	2780
3.65%	2455	2506	2558	2605	2637	2668	2699	2721	2746	2768	2790	2812	2832
3.75%	2487	2548	2599	2642	2679	2711	2742	2767	2797	2819	2841	2858	2876
3.85%	2519	2589	2635	2677	2719	2757	2789	2821	2842	2862	2885	2903	2926
3.95%	2566	2622	2674	2716	2758	2790	2833	2861	2884	2909	2929	2954	2974
4.05%	2607	2663	2710	2757	2799	2802	2870	2902	2920	2946	2968	2986	3005
4.15%	2648	2695	2746	2798	2805	2820	2906	2943	2971	2985	3007	3027	3045
4.25%	2677	2734	2785	2837	2874	2912	2949	2982	3005	3034	3051	3070	3085
4.35%	2713	2773	2825	2872	2909	2947	2989	3017	3045	3078	3099	3113	3130
4.55%	2783	2848	2891	2938	2984	3022	3055	3088	3120	3144	3172	3195	3214
4.75%	2859	2906	2962	3009	3051	3089	3126	3159	3187	3215	3239	3264	3288

Minimum WAS	Diversity												
	25	**27**	**29**	**31**	**33**	**35**	**37**	**39**	**41**	**43**	**45**	**47**	**49**
4.95%	2918	2979	3030	3077	3119	3161	3194	3227	3260	3283	3311	3335	3354
5.15%	2956	3022	3073	3146	3188	3226	3263	3296	3324	3352	3380	3404	3432
5.35%	3026	3087	3144	3186	3233	3296	3334	3362	3390	3423	3445	3475	3495
5.55%	3057	3123	3179	3256	3294	3340	3369	3411	3444	3476	3504	3520	3545
5.75%	3115	3176	3232	3289	3332	3404	3441	3453	3512	3519	3560	3595	3610
6.00%	3186	3247	3303	3350	3401	3443	3486	3518	3575	3594	3635	3645	3670

The Moody's Minimum Diversity Test

The "**Moody's Minimum Diversity Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Diversity Score equals or exceeds the number set forth in the column entitled "Minimum Diversity Score" in the Moody's Test Matrix based upon the applicable "row/column" combination chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)).

The "**Diversity Score**" is a single number that indicates collateral concentration and correlation in terms of both issuer and industry concentration and correlation. It is similar to a score that Moody's uses to measure concentration and correlation for the purposes of its ratings. A higher Diversity Score reflects a more diverse portfolio in terms of the issuer and industry concentration. The Diversity Score for the Collateral Obligations is calculated by summing each of the Industry Diversity Scores which are calculated as follows:

(a) an "**Average Principal Balance**" is calculated by summing the Obligor Principal Balances and dividing by the sum of the aggregate number of issuers and/or borrowers represented;

(b) a "**Obligor Principal Balance**" is calculated for each Obligor represented in the Collateral Obligations by summing the Principal Balances of all Collateral Obligations (excluding Defaulted Obligations) issued by such Obligor, provided that if a Collateral Obligation has been sold or is the subject of an optional redemption or Offer, and the Sale Proceeds or Unscheduled Principal Proceeds from such event have not yet been reinvested in Substitute Collateral Obligations or distributed to the Noteholders or the other creditors of the Issuer in accordance with the Priorities of Payments, the Obligor Principal Balance shall be calculated as if such Collateral Obligation had not been sold or was not subject to such an optional redemption or Offer;

(c) an "**Equivalent Unit Score**" is calculated for each Obligor by taking the lesser of (i) one and (ii) the Obligor Principal Balance for such Obligor divided by the Average Principal Balance;

(d) an "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of Moody's industrial classification groups by summing the Equivalent Unit Scores for each Obligor in the industry (or such other industrial classification groups and Equivalent Unit Scores as are published by Moody's from time to time); and

(e) an "**Industry Diversity Score**" is then established by reference to the Diversity Score Table shown below (or such other Diversity Score Table as is published by Moody's from time to time) (the "**Diversity Score Table**") for the related Aggregate Industry Equivalent Unit Score. If the Aggregate Industry Equivalent Unit Score falls between any two such scores shown in the Diversity Score Table, then the Industry Diversity Score is the lower of the two Diversity Scores in the Diversity Score Table.

For purposes of calculating the Diversity Scores any Obligors Affiliated with one another will be considered to be one Obligor.

Diversity Score Table

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.0000	0.0000	5.0500	2.7000	10.1500	4.0200	15.2500	4.5300
0.0500	0.1000	5.1500	2.7333	10.2500	4.0300	15.3500	4.5400
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000
0.7500	0.8000	5.8500	2.9667	10.9500	4.1000	16.0500	4.6100
0.8500	0.9000	5.9500	3.0000	11.0500	4.1100	16.1500	4.6200
0.9500	1.0000	6.0500	3.0250	11.1500	4.1200	16.2500	4.6300
1.0500	1.0500	6.1500	3.0500	11.2500	4.1300	16.3500	4.6400
1.1500	1.1000	6.2500	3.0750	11.3500	4.1400	16.4500	4.6500
1.2500	1.1500	6.3500	3.1000	11.4500	4.1500	16.5500	4.6600
1.3500	1.2000	6.4500	3.1250	11.5500	4.1600	16.6500	4.6700
1.4500	1.2500	6.5500	3.1500	11.6500	4.1700	16.7500	4.6800
1.5500	1.3000	6.6500	3.1750	11.7500	4.1800	16.8500	4.6900
1.6500	1.3500	6.7500	3.2000	11.8500	4.1900	16.9500	4.7000
1.7500	1.4000	6.8500	3.2250	11.9500	4.2000	17.0500	4.7100
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

The Moody's Maximum Weighted Average Rating Factor Test

The "**Moody's Maximum Weighted Average Rating Factor Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Adjusted Weighted Average Moody's Rating Factor of the Collateral Obligations as at such Measurement Date is equal to or less than the sum of (i) the number set forth in the Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)),

(acting on behalf of the Issuer) as at such Measurement Date plus (ii) the Moody's Weighted Average Recovery Adjustment, provided, however, that the sum of (i) and (ii) may not exceed 3800.

The "**Moody's Weighted Average Rating Factor**" is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation, excluding Defaulted Obligations and Equity Securities, by its Moody's Rating Factor, dividing such sum by the Aggregate Principal Balances of all such Collateral Obligations, excluding Defaulted Obligations and Equity Securities, and rounding the result up to the nearest whole number.

The "**Moody's Rating Factor**" relating to any Collateral Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

The "**Moody's Weighted Average Recovery Adjustment**" means, as of any Measurement Date, the greater of: (a) zero; and (b) the product of: (i) (A) the Weighted Average Moody's Recovery Rate as of such Measurement Date multiplied by 100 minus (B) 43; and (ii) (A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test, 85 and (B) with respect to adjustment of the Minimum Weighted Average Spread, 0.08 per cent.; provided that if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60 per cent., then such Weighted Average Moody's Recovery Rate shall equal 60 per cent. unless Rating Agency Confirmation from Moody's is received, provided further that the amount specified in clause (b)(i) above may only be allocated once on any Measurement Date and the Collateral Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(ii)(A) and the portion of such amount that shall be allocated to clause (b)(ii)(B) (it being understood that, absent an express designation by the Collateral Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

The "**Adjusted Weighted Average Moody's Rating Factor**" means, as of any Measurement Date, a number equal to the Moody's Weighted Average Rating Factor provided that each applicable rating on credit watch by Moody's that is (a) on negative outlook, will be treated as having been downgraded by one rating subcategory, (b) on review for possible downgrade, will be treated as having been downgraded by two rating subcategories and (c) on review for possible upgrade, will be treated as having been upgraded by one rating subcategory.

The Moody's Minimum Weighted Average Recovery Rate Test

The "**Moody's Minimum Weighted Average Recovery Rate Test**" will be satisfied, as at any Measurement Date from (and including) the Effective Date, if the Weighted Average Moody's Recovery Rate is greater than or equal to (i) 43 per cent. minus (ii) the Moody's Weighted Average Rating Factor Adjustment, provided however that the result of (i) minus (ii) may not be less than 30 per cent.

The "**Weighted Average Moody's Recovery Rate**" means, as of any Measurement Date, the number, expressed as a percentage, obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation (excluding Defaulted Obligations) by its corresponding Moody's Recovery Rate and dividing such sum by the Aggregate Principal Balance of all such Collateral Obligations and rounding up to the nearest 0.1 per cent.

The "**Moody's Recovery Rate**" is, except as otherwise advised by Moody's, with respect to any Collateral Obligation, as of any Measurement Date, the recovery rate determined in accordance with the following, in the following order of priority:

(a) if the Collateral Obligation has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate;

(b) if the preceding clause does not apply to the Collateral Obligation, except with respect to Corporate Rescue Loans, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Moody's Secured Senior Loans	Moody's Senior Secured Floating Rate Notes and Second Lien Loans	Assets other than Moody's Secured Senior Loans and Moody's Senior Secured Floating Rate Notes and Second Lien Loans
+2 or more	60 per cent.	55 per cent.	45 per cent.
+1	50 per cent.	45 per cent.	35 per cent.
0	45 per cent.	35 per cent.	30 per cent.
-1	40 per cent.	25 per cent.	25 per cent.
-2	30 per cent.	15 per cent.	15 per cent.
-3 or less	20 per cent.	5 per cent.	5 per cent.

(c) if the Collateral Obligation is a Corporate Rescue Loan (other than a Corporate Rescue Loan which has been specifically assigned a recovery rate by Moody's), 50.0 per cent.

The "**Moody's Weighted Average Rating Factor Adjustment**" means an amount, expressed as a percentage, as of any Measurement Date equal to the greater of: (a) zero; and (b) the percentage obtained by dividing: (i) (A) the number set forth in the Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Collateral Manager (acting on behalf of the Issuer) (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), as at the Measurement Date minus (B) the Adjusted Weighted Average Moody's Rating Factor; by (ii) 8,000.

S&P Matrix

"**S&P Matrix**": S&P will provide the Collateral Manager with the Class Break-Even Default Rates for each S&P CDO Monitor based upon portfolios with weighted average spreads, and recovery rates to be associated with such S&P CDO Monitor as selected by the Collateral Manager in accordance with the definition of "**S&P CDO Monitor Test**" or any other weighted average spreads and recovery rates selected by the Collateral Manager from time to time. For each Class of Rated Notes, the Class Break- Even Default Rate will be determined as follows: (A) the applicable weighted average spread will be the spread between 2.85 per cent. and 6.00 per cent. (in increments of 0.01 per cent.) without exceeding an amount equal to (I) the Weighted Average Floating Spread less (II) the Aggregate Excess Funded Spread, as of such Measurement Date (the "**S&P Matrix Spread**") and (B) the applicable weighted average recovery rates with respect to the Rated Notes will be the recovery rate between (i) in the case of the Class A Notes, 20 per cent. and 50 per cent., (ii) in the case of the Class B Notes, 26 per cent. and 60 per cent., (iii) in the case of the Class C Notes, 33 per cent. and 66 per cent., (iv) in the case of the Class D Notes, 38 per cent. and 72 per cent., (v) in the case of the Class E Notes, 43 per cent. and 78 per cent., and (vi) in the case of the Class F Notes, 45 per cent. and 80 per cent. (the "**Recovery Rate Case**"). On and after the Effective Date, the Collateral Manager will have the right to choose which Recovery Rate Case and which S&P Matrix Spread will be applicable for purposes of both (i) the S&P CDO Monitor Test and (ii) the S&P Minimum Weighted Average Recovery Rate Test.

After the Effective Date, the Collateral Manager may request from time to time for S&P to provide S&P CDO Monitors for up to 50 different combinations of S&P Matrix Spreads and Recovery Rate Cases at each request, up to 50 times in any 12 month period. On 10 Business Days' written notice to the Collateral Administrator (or such shorter time as may be acceptable to the Collateral Administrator), the Collateral Manager may choose a different Recovery Rate Case and/or S&P Matrix Spread; provided, that the Collateral Obligations must be in compliance with such different Recovery Rate Case and/or S&P Matrix Spread and, solely for purposes of this proviso, if the Issuer has entered into a binding commitment to invest in a Collateral Obligation, compliance with the newly selected Recovery Rate Case and/or S&P Matrix Spread may be determined after giving effect to such investment. Notwithstanding the foregoing, if the Collateral Obligations are not currently in compliance with the Recovery Rate Case and/or S&P Matrix Spread then applicable and would not be in compliance with any other Recovery Rate Case and/or S&P Matrix Spread, as applicable, the Collateral Manager may select a different Recovery Rate Case and/or S&P Matrix Spread, as applicable, that is not further out of compliance than the current Recovery Rate Case and/or S&P Matrix Spread.

In the event the Collateral Manager fails to choose (A) Recovery Rate Case prior to the Effective Date, the following will apply: with respect to the Class A Notes 37.00 per cent.; the Class B Notes 43.00 per cent.; the Class C Notes 48.00 per cent.; the Class D Notes 53.00 per cent.; the Class E Notes 61.50 per cent., and the Class F Notes 66.50 per cent. or (B) S&P Matrix Spread prior to the Effective Date, S&P Matrix Spread 4.10 per cent., will apply.

The S&P CDO Monitor Test

The "**S&P CDO Monitor Test**" will be satisfied on any date from the Effective Date until the end of the Reinvestment Period following receipt by the Issuer, the Collateral Manager and the Collateral Administrator of the S&P CDO Monitor (along with the assumptions and instructions to run the S&P CDO Monitor Test and in a form that performs as intended with respect to the Collateral Obligations) if, after giving effect to the purchase or sale of a Collateral Obligation, each Class Default Differential of the Proposed Portfolio is positive. The S&P CDO Monitor Test will be considered to be improved if each Class Default Differential of the Proposed Portfolio is greater than the corresponding Class Default Differential of the Current Portfolio.

The "**Class Break-Even Default Rate**" is, with respect to any Class of Rated Notes then rated by S&P, the maximum percentage of defaults, at any time, which the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined by S&P through application of the S&P CDO Monitor chosen by the Collateral Manager in accordance with the definition of "**S&P Matrix**" that is applicable to the portfolio of Collateral Obligations, which, after giving effect to S&P's assumptions on recoveries, defaults and timing and to the Priorities of Payment, will result in sufficient funds remaining for the payment of such Class or Classes of Notes in full. After the Effective Date, S&P will provide the Collateral Manager with the Class Break-Even Default Rates for each S&P CDO Monitor based upon the Recovery Rate Case and S&P Matrix Spread to be associated with such S&P CDO Monitor as selected by the Collateral Manager (with a copy to the Collateral Administrator) as set out in the Collateral Management and Administration Agreement or any other Recovery Rate Case selected by the Collateral Manager from time to time.

The "**Class Default Differential**" is, with respect to any Class of Rated Notes then rated by S&P, at any time, the rate calculated by subtracting the Class Scenario Default Rate at such time for such Class of Notes from the Class Break-Even Default Rate for such Class of Notes at such time.

The "**Class Scenario Default Rate**" is, with respect to any Class of Rated Notes then rated by S&P, at any time, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with S&P's initial rating of such Class of Notes, determined by application by the Collateral Manager of the S&P CDO Monitor Test at such time.

The "**Current Portfolio**" means, as of any date of determination, the portfolio of Collateral Obligations (included at their Principal Balance provided that in respect of Mezzanine Loans the Principal Balance shall include all accrued interest including any interest accrued following the date of acquisition thereof) and Eligible Investments existing prior to the sale, maturity or other disposition of a Collateral Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Obligation, as the case may be.

The "**Proposed Portfolio**" means, as of any date of determination, the portfolio of Collateral Obligations (included at their Principal Balance provided that in respect of Mezzanine Loans the Principal Balance shall include all accrued interest including any interest accrued following the date of acquisition thereof) and Eligible Investments resulting from the sale, maturity or other disposition of a Collateral Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Obligation, as the case may be.

"**S&P CDO Monitor**" means the dynamic, analytical computer model developed by S&P and used to estimate default risk of Collateral Obligations and provided to the Collateral 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 Collateral Obligations 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 Collateral Obligations and Eligible Investments and calculates a cumulative default rate based on the statistical probability of distributions or defaults on the Collateral Obligations and Eligible Investments.

The S&P Minimum Weighted Average Recovery Rate Test

The "**S&P Minimum Weighted Average Recovery Rate Test**" will be satisfied on any Measurement Date from (and including) the Effective Date if, for each Class of Rated Notes, the S&P Weighted Average Recovery Rate is greater than or equal to the percentage set forth in the S&P Matrix based upon the Recovery Rate Case chosen by the Collateral Manager.

The "**S&P Recovery Rate**" means, in respect of each Collateral Obligation and each Class of Rated Notes an S&P Recovery Rate determined in accordance with the Collateral Management and Administration Agreement or as advised by S&P. Extracts of the S&P Recovery Rates applicable under the Collateral Management and Administration Agreement are set out in Annex B of this Offering Circular.

"**S&P Weighted Average Recovery Rate**" means, as of any Measurement Date, for a Class of Rated Notes, the number (expressed as a percentage) obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation by its S&P Recovery Rate, dividing such sum by the Aggregate Principal Balance of all Collateral Obligations and rounding up to the nearest 0.1 per cent. For purposes of this rate, the Principal Balance of any Defaulted Obligation shall be deemed to be zero.

The 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 plus the Excess Weighted Average Coupon as at such Measurement Date equals or exceeds the Minimum Weighted Average Floating Spread as at such Measurement Date.

The "**Minimum Weighted Average Floating Spread**", as of any Measurement Date, will equal the greater of:

(a) the percentage set forth in the S&P Matrix based upon the option chosen by the Collateral Manager; and

(b) the percentage set forth in the Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)) as currently applicable to the Portfolio reduced by the Moody's Weighted Average Recovery Adjustment, provided such reduction may not reduce the Minimum Weighted Average Floating Spread below 2.85 per cent.

The "**Weighted Average Floating Spread**" as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to (A) the Aggregate Funded Spread plus (B) the Aggregate Unfunded Spread plus (C) the Aggregate Excess Funded Spread; by

(b) an amount equal to the Aggregate Principal Balance of all Floating Rate Collateral Obligations excluding PIK Securities as of such Measurement Date,

in each case, excluding Defaulted Obligations and, for any Deferring Security, any interest that has been deferred and capitalised thereon, in each case 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 (as advised by the Collateral Manager).

The "**Aggregate Funded Spread**" is, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Collateral Obligation (including, for any Mezzanine Obligation, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Non-Euro Obligations, Defaulted Obligations, PIK Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Obligation above EURIBOR or such other applicable floating rate of interest *multiplied* by (ii) the Principal Balance of such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation);

(b) in the case of each Floating Rate Collateral Obligation (including, for any Mezzanine Obligation, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon

and excluding Non-Euro Obligations, Defaulted Obligations, PIK Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) that bears interest at a spread over an index other than EURIBOR-based index, (i) the excess of the sum of such spread and such index over EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the Principal Balance of each such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation);

(c) in the case of each Floating Rate Collateral Obligation which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, PIK Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) and subject to a Currency Hedge Transaction, (i) the stated interest rate spread over EURIBOR payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction multiplied by (ii) the Principal Balance of such Non-Euro Obligation; and

(d) in the case of each Floating Rate Collateral Obligation which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, PIK Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) and not subject to a Currency Hedge Transaction, (i) the interest amount payable by the relevant Obligor converted to Euro at the Spot Rate, less (ii) the product of (x) EURIBOR *multiplied* by (y) the Principal Balance of such Non-Euro Obligation.

If a Collateral Obligation is subject to a floor, the margin shall include, if positive, (x) the EURIBOR (or such other floating rate of interest) floor value minus (y) EURIBOR (or such other floating rate of interest) applicable in respect of such Collateral Obligation on such Measurement Date only as notified to the Collateral Administrator by the relevant loan agent.

The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Obligation and Revolving Obligation (other than Defaulted Obligations), the related commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Collateral Obligation and Revolving Obligation as of such date.

The "**Aggregate Excess Funded Spread**" is, as of any Measurement Date, the amount obtained by multiplying:

(a) the EURIBOR applicable to the Rated Notes during the Accrual Period in which such Measurement Date occurs; by

(b) the amount (not less than zero) equal to (i) the Aggregate Principal Balance of the Collateral Obligations (excluding (x) for any Mezzanine Obligation, any interest that has been deferred and capitalised thereon and (y) any Defaulted Obligations and PIK Securities and (z) any Fixed Rate Collateral Obligations) as of such Measurement Date minus (ii) the Target Par Amount minus (iii) the aggregate amount of Principal Proceeds received from the issuance of additional notes pursuant to the Trust Deed.

The "**Excess Weighted Average Coupon**" means a percentage equal as of any Measurement Date to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Coupon over the Minimum Weighted Average Coupon by (b) the number obtained by dividing the aggregate outstanding Principal Balance of all Fixed Rate Collateral Obligations by the aggregate outstanding Principal Balance of all Floating Rate Collateral Obligations.

Minimum Weighted Average Coupon Test

The "**Minimum Weighted Average Coupon Test**" will be satisfied on any Measurement Date if the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Minimum Weighted Average Coupon.

The "**Minimum Weighted Average Coupon**" means (i) if any of the Collateral Obligations are Fixed Rate Collateral Obligations, 6.25 per cent. and (ii) otherwise zero.

The "**Weighted Average Coupon**" as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to the Aggregate Coupon; by

(b) an amount equal to the aggregate Principal Balance of all Fixed Rate Collateral Obligations as of such Measurement Date, in each case, excluding Defaulted Obligations and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations,

in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty.

The "**Aggregate Coupon**" is, as of any Measurement Date, the sum of (i) with respect to any Fixed Rate Collateral Obligation which is a Non-Euro Obligation and subject to a Currency Hedge Transaction and excluding Defaulted Obligations, PIK Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, the product of (x) stated coupon on such Non-Euro Obligation expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation, (ii) with respect to any Fixed Rate Collateral Obligation which is a Non-Euro Obligation which is not subject to a Currency Hedge Transaction and excluding Defaulted Obligations, PIK Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, an amount equal to the Euro equivalent of the product of (x) stated coupon on such Collateral Obligation expressed as a percentage and (y) the outstanding Principal Balance of such Non-Euro Obligation and (iii) with respect to all other Fixed Rate Collateral Obligations and excluding Defaulted Obligations, PIK Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, the sum of the products obtained by multiplying, in the case of each Fixed Rate Collateral Obligation (including, for any Mezzanine Obligation, only the required, non-deferrable current cash pay interest required by the Underlying Instruments thereon), (x) the stated coupon on such Collateral Obligation expressed as a percentage and (y) the Principal Balance of such Collateral Obligation.

"**Excess Weighted Average Floating Spread**" means a percentage equal as of any Measurement Date to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Floating Spread over the Minimum Weighted Average Floating Spread by (b) the number obtained by dividing the aggregate Principal Balance of all Floating Rate Collateral Obligations by the aggregate Principal Balance of all Fixed Rate Collateral Obligations.

The Weighted Average Life Test

The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than the number of years (rounded to the nearest one hundredth thereof) during the period from such Measurement Date to 26 March 2023.

"**Weighted Average Life**" is, as of any Measurement Date with respect to all Collateral Obligations other than Defaulted Obligations, the number of years following such date obtained by summing the products obtained by multiplying:

(a) (i) the Average Life at such time of each such Collateral Obligation by (ii) the Principal Balance of such Collateral Obligation,

and dividing such sum by;

(b) the Aggregate Principal Balance at such time of all Collateral Obligations other than Defaulted Obligations.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such Measurement Date to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation; provided that, if the aggregate outstanding principal balance of the Collateral Obligations (excluding any Defaulted Obligations) exceeds the Reinvestment Target Par Balance, the Collateral Obligations included in the calculation of this test shall be only those Collateral Obligations with an aggregate outstanding principal balance equal to the Reinvestment Target Par Balance (starting with Collateral Obligations with the shortest Average Lives).

Rating Definitions

S&P Ratings Definitions

"**S&P Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if there is an S&P Issuer Credit Rating of the issuer of such Collateral Obligation by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees such Collateral Obligation pursuant to a form of guarantee approved by S&P for use in connection with this transaction, then the S&P Rating shall be such rating (regardless of whether there is a published rating by S&P on the Collateral Obligations of such issuer held by the Issuer, provided that private ratings (that is, ratings provided at the request of the Obligor) may be used for purposes of this definition if the related Obligor has consented to the disclosure thereof and a copy of such consent has been provided to S&P);

(b) if there is no S&P Issuer Credit Rating of the issuer or guarantor by S&P but,

(i) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category 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 Collateral Obligation 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 Collateral Obligation shall be one sub-category above such rating;

(c) with respect to any Collateral Obligation that is a Current Pay Obligation, the S&P Rating applicable to such obligation shall be the issue level rating thereof and if there is no such issue level rating, the S&P Rating applicable to such Current Pay Obligation shall be "CCC-";

(d) with respect to any Collateral Obligation that is a Corporate Rescue Loan:

(i) falling within paragraph (a) of the definition of Corporate Rescue Loan, and if (x) S&P has assigned a public rating to such Corporate Rescue Loan, the S&P Rating for such Corporate Rescue Loan shall be such public rating; or

(ii) falling within paragraph (b) of the definition of Corporate Rescue Loan, and if S&P has assigned an S&P Issuer Credit Rating or credit estimate to such Corporate Rescue Loan, the S&P Rating for such Corporate Rescue Loan shall be such S&P Issuer Credit Rating or credit estimate; or

(iii) upon application by the Issuer (or the Collateral Manager on behalf of the Issuer) to S&P for a credit estimate, the applicable Corporate Rescue Loan shall be deemed to have an S&P Rating of "D"; and

(e) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined (other than in the case of Corporate Rescue Loans) pursuant to paragraphs (i) and (ii) below:

(i) if an obligation of the issuer is not a Corporate Rescue Loan and is publicly rated by Moody's, then the S&P Rating will be determined in accordance with the methodologies for establishing the S&P Rating set forth above except that the S&P Rating of such obligation will be (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

(ii) the S&P Rating may be based on a credit estimate provided by S&P, and in connection therewith, the Issuer, the Collateral Manager on behalf of the Issuer or the issuer of such Collateral Obligation shall, prior to or within 30 days after the acquisition of such Collateral Obligation, apply (and concurrently submit all available information in respect of such application) to S&P for

a credit estimate which shall be its S&P Rating; provided that, if such information is submitted within such 30-day period, then, for a period of up to 90 days after acquisition of such Collateral Obligation by the Issuer and pending receipt from S&P of such estimate, such Collateral Obligation shall have an S&P Rating as determined by the Collateral Manager in its sole discretion if (A) the Collateral Manager certifies to the Trustee and the Collateral Administrator that it believes that such S&P Rating determined by the Collateral Manager is commercially reasonable and that the S&P Rating, will be at least equal to such rating and (B) the Aggregate Principal Balance of the Collateral Obligations subject to an S&P Rating determined by the Collateral Manager in accordance with (A) does not exceed 5 per cent. of the Collateral Principal Amount (for such purpose the Principal Balance of all Defaulted Obligations shall be their S&P Collateral Value); provided further that (x) if such information is not submitted within such 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 Collateral Obligation shall have an S&P Rating of "CCC-"; unless, in the case of clause (y) above, during such 90-day period, the Collateral Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; provided further that if the Collateral Obligation has had a public rating by S&P that S&P has withdrawn or suspended within six months prior to the date of such application for a credit estimate in respect of such Collateral Obligation, the S&P Rating in respect thereof shall be "CCC-" pending receipt from S&P of such estimate, and S&P may elect not to provide such estimate until a period of six months have elapsed after the withdrawal or suspension of the public rating; provided further that such credit estimate shall expire 12 months after the acquisition of such Collateral Obligation, following which such Collateral Obligation shall have an S&P Rating of "CCC-" unless, during such 12-month period, the Issuer (or the Collateral Manager acting on behalf of the Issuer) applies for renewal thereof in accordance with the Collateral Management and Administration Agreement in which case such credit estimate shall continue to be the S&P Rating of such Collateral Obligation until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Collateral Obligation; 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 Collateral Obligation and (when renewed annually in accordance with the Collateral Management and Administration Agreement) on each 12-month anniversary thereafter,

provided that for purposes of the determination of the S&P Rating, (x) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating, (y) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating and (z) only ratings assigned on the basis of ongoing surveillance will be applicable for the purposes of this definition.

Moody's Ratings Definitions

"**Moody's Default Probability Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if the Obligor of such Collateral Obligation has a CFR, then such CFR;

(b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Obligation has one or more senior unsecured debt obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on such obligation as selected by the Collateral Manager in its sole discretion;

(c) if not determined pursuant to clauses (a) or (b) above, if the Obligor of such Collateral Obligation has one or more senior secured debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured debt obligation as selected by the Collateral Manager in its sole discretion;

(d) if not determined pursuant to clauses (a), (b), or (c) above, if a rating estimate has been assigned to such Collateral Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an Affiliate of the Collateral Manager, then the Moody's Default Probability Rating is such rating estimate as long as such rating estimate or a renewal for such rating estimate has been issued or provided by Moody's in each case within the 15 month period preceding the date on which the Moody's Default Probability Rating is being determined; provided, that if such rating estimate has been issued or provided by Moody's for a period (x) longer than 13 months but not beyond 15 months, the Moody's

Default Probability Rating will be one subcategory lower than such rating estimate and (y) beyond 15 months, the Moody's Default Probability Rating will be deemed to be "Caa3";

(e) if not determined pursuant to clauses (a), (b), (c) or (d) above, the Moody's Derived Rating; and

(f) if not determined pursuant to clause (a), (b), (c), (d) or (e) above, the Collateral Obligation will be deemed to have a Moody's Default Probability Rating of "Caa3".

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's that is (a) on negative outlook, will be treated as having been downgraded by one rating subcategory, (b) on review for possible downgrade, will be treated as having been downgraded by two rating subcategories and (c) on review for possible upgrade, will be treated as having been upgraded by one rating subcategory.

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

"**CFR**" means, with respect to an obligor of a Collateral Obligation, if such obligor has a corporate family rating by Moody's, then such corporate family rating; provided, if such obligor does not have a corporate family rating by Moody's but any entity in the obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

"**Moody's Derived Rating**" means, with respect to a Collateral Obligation:

(a) with respect to any Corporate Rescue Loan, one subcategory below the facility rating (whether public or private) of such Corporate Rescue Loan rated by Moody's;

(b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Obligation has a long-term issuer rating by Moody's, then such long-term issuer rating;

(c) if not determined pursuant to clause (a) or (b) above, if another obligation of the Obligor is rated by Moody's, then by adjusting the rating of the related Moody's rated obligations of the related Obligor by the number of rating sub-categories according to the table below:

Obligation Category of Rated Obligation	Rating of Rated Obligation	Number of Subcategories Relative to Rated Obligation Rating
Senior secured obligation	greater than or equal to B2	-1
Senior secured obligation	less than B2	-2
Subordinated obligation	greater than or equal to B3	+1
Subordinated obligation	less than B3	0

(d) if not determined pursuant to clause (a), (b) or (c) above, if the Obligor of such Collateral Obligation has a corporate family rating by Moody's, then one subcategory below such corporate family rating;

(e) if not determined pursuant to clause (a), (b), (c) or (d) above, then by using any one of the methods provided below:

(i) pursuant to the table below:

Type of Collateral Obligation	S&P Rating (Public and Monitored)	Collateral Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P rating
Not Structured Finance Obligation	>BBB-	Not a Loan or Participation in Loan	-1
Not Structured Finance Obligation	<BB+	Not a Loan or Participation in Loan	-2
Not Structured Finance Obligation		Loan or Participation in Loan	-2

(ii) if such Collateral Obligation is not rated by S&P but another security or obligation of the Obligor has a public and monitored rating by S&P (a "**parallel security**"), then the rating of such parallel security will at the election of the Collateral Manager be determined in accordance with the table

set forth in sub clause (e)(i) above, and the Moody's Derived Rating of such Collateral Obligation will be determined in accordance with the methodology set forth in clause (a) above (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this sub clause (e)(ii)); or

(iii) if such Collateral Obligation is a Corporate Rescue Loan, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency; or

(f) if such Collateral Obligation is not rated by Moody's and no other security or obligation of the issuer of such Collateral Obligation is rated by Moody's, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Obligation to assign a rating or rating estimate with respect to such Collateral Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating of such Collateral Obligation shall be (x) "B3" if the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate will be at least "B3" and if the aggregate principal balance of Collateral Obligations determined pursuant to this clause (f) does not exceed 5 per cent. of the Collateral Principal Amount of all Collateral Obligations or (y) otherwise, "Caa1".

"**Moody's Rating**" means:

(a) with respect to a Collateral Obligation that is a Moody's Secured Senior Loan:

(i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured debt obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iv) if none of clauses (i) through (iii) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(v) if none of clauses (i) through (iv) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3"; and

(b) with respect to a Collateral Obligation other than a Moody's Secured Senior Loan:

(i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured debt obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iii) if neither clause (i) nor (ii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;

(iv) if none of clauses (i), (ii) or (iii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(v) if none of clauses (i) through (iv) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(vi) if none of clauses (i) through (v) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3".

"**Moody's Senior Secured Floating Rate Note**" means, a Senior Secured Floating Rate Note that (x) has a Moody's facility rating and the obligor of such note has a Moody's corporate family rating and (y) such Moody's facility rating is not lower than such Moody's corporate family rating.

"**Moody's Secured Senior Loan**" means:

(a) a loan that:

(i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan, provided that a revolving loan of the obligor that, pursuant to its terms, may require one or more advances to be made to the obligor may have higher priority in right of payment in the event of an enforcement in respect of such loan representing up to 15 per cent. of the obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained);

(ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; provided that any loan that would be considered a Moody's Secured Senior Loan but for clause (y) above shall be considered a Moody's Secured Senior Loan if it is a loan made to a parent entity and as to which the Collateral Manager determines in good faith that the value of the common stock of the subsidiary (or other equity interests in the subsidiary) securing such loan at or about the time of acquisition of such loan by the Issuer has a value that is at least equal to the outstanding principal balance of such loan and the outstanding principal balances of any other obligations of such parent entity that are *pari passu* with such loan, which value may include, among other things, the enterprise value of such subsidiary of such parent entity; and

(iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral; or

(b) the loan is not:

(i) a Corporate Rescue Loan; or

(ii) a loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof.

"**Senior Secured Floating Rate Note**" means any senior secured obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon an interbank offered rate for deposits in the relevant currency and in the relevant location or a relevant reference bank's published base rate or prime rate for obligations denominated in the relevant currency and in the relevant location, (d) does not constitute and is not secured by, Margin Stock, (e) is secured by a valid first priority security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation; and (f) no other obligation of the obligor has any higher priority security interest in such collateral provided that a revolving loan of the obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such collateral if an enforcement in respect of such loan occurs, provided such loan represents no more than 15 per cent. of the obligor's senior debt.

The Coverage Tests

The Coverage Tests will consist of the Class A/B Par Value Test, the Class A/B Interest Coverage Test, the Class C Par Value Test, the Class C Interest Coverage Test, the Class D Par Value Test, the Class D Interest Coverage Test, the Class E Par Value Test, the Class E Interest Coverage Test and the Class F Par Value Test. The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes, the

Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, whether Principal Proceeds may be reinvested in Substitute Collateral Obligations, or whether Interest Proceeds which would otherwise be used to pay interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes must instead be used to pay principal of the Class A Notes and the Class B Notes in the event of failure to satisfy the Class A/B Coverage Tests, whether Interest Proceeds which would otherwise be used to pay interest on the Class D Notes, must instead be used to pay principal of the Class A Notes, the Class B Notes and the Class C Notes in the event of failure to satisfy the Class C Coverage Tests, whether Interest Proceeds which would otherwise be used to pay interest on the Class E Notes, must instead be used to pay principal of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in the event of failure to satisfy the Class D Coverage Tests and whether Interest Proceeds which would otherwise be used to pay interest on the Class F Notes, must instead be used to pay principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in the event of failure to satisfy the Class E Coverage Tests, in each case to the extent necessary to cause the Coverage Tests relating to the relevant Class of Notes to be met.

Upon a failure of the Class F Par Value Test, rather than redeeming the Rated Notes in accordance with the Note Payment Sequence, Interest Proceeds will first be used to redeem the Class F Notes in accordance with and subject to the Interest Proceeds Priority of Payments and then to redeem the Rated 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. If Interest Proceeds are insufficient to cure such failure, Principal Proceeds will be used to redeem the Rated Notes in accordance with the Note Payment Sequence in each case subject to the Priorities of Payment.

Each of the Class A/B Par Value Test, the Class A/B Interest Coverage Test, the Class C Par Value Test, the Class C Interest Coverage Test, the Class D Par Value Test, the Class D Interest Coverage Test, the Class E Par Value Test, the Class E Interest Coverage Test and the Class F Par Value Test shall apply on a Measurement Date (i) on and after the Effective Date in respect of the Par Value Tests and (ii) on and after the Determination Date immediately preceding the third Payment Date in the case of the Interest Coverage Tests and shall be satisfied on a Measurement Date if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Coverage Test and Ratio	Percentage at Which Test is Satisfied
Class A/B Par Value	133.3
Class A/B Interest Coverage	125
Class C Par Value	123.9
Class C Interest Coverage	112
Class D Par Value	116.7
Class D Interest Coverage	105
Class E Par Value	108.1
Class E Interest Coverage	102
Class F Par Value	104.8

For the purposes of calculating the Interest Coverage Ratios, the expected interest income on Collateral Obligations, 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 and periods applicable thereto as at the relevant Measurement Date.

DESCRIPTION OF THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT

General

The Collateral Manager will perform certain investment management functions, including, without limitation, supervising and directing the investment and reinvestment of the Collateral Obligations and Eligible Investments, and perform certain administrative and management functions on behalf of the Issuer in accordance with the applicable provisions of the Collateral Management and Administration Agreement. The Collateral Management and Administration Agreement contains procedures whereby the Collateral Manager will have discretionary authority of the Issuer in relation to the composition, acquisition and management of the Portfolio.

Compensation of the Collateral Manager

As compensation for the performance of its obligations under the Collateral Management and Administration Agreement, the Collateral Manager will be entitled to receive from the Issuer on each Payment Date a senior collateral management fee equal to 0.15 per cent. per annum of the Average Collateral Principal Amount for the related Due Period, which collateral management fee will be payable senior to the Notes, but subordinated to certain fees and expenses of the Issuer in accordance with the Priorities of Payments (such fee, the "**Senior Management Fee**").

The Collateral Management and Administration Agreement also provides that the Collateral Manager will receive from the Issuer on each Payment Date a subordinated collateral management fee equal to 0.35 per cent. per annum of the Average Collateral Principal Amount for the related Due Period, which collateral management fee will be payable senior to the payments on the Subordinated Notes, but subordinated to the Rated Notes (such fee, the "**Subordinated Management Fee**").

In addition to the Senior Management Fee and the Subordinated Management Fee, the Collateral Manager will receive an incentive management fee, payable on each Payment Date as provided below and subject to the Priorities of Payments, if the Incentive Management Fee IRR Threshold has met or exceeded 12 per cent., in an amount equal to 20 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payments (such fee, the "**Incentive Management Fee**").

The Collateral Manager may from time to time direct the Issuer in writing to pay the amount of the Senior Management Fee, Subordinated Management Fee and/or Incentive Management Fee to an Affiliate of the Collateral Manager.

Each of the Senior Management Fee, the Subordinated Management Fee and the Incentive Management Fee shall be calculated based upon the actual number of days elapsed in the applicable Due Period divided by 360 and shall exclude any value added tax payable on such Senior Management Fee, Subordinated Management Fee and Incentive Management Fee.

If amounts distributable on any Payment Date in accordance with the Priorities of Payments are insufficient to pay the Senior Management Fee in full, then a portion of the Senior Management Fee equal to the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priorities of Payments.

If amounts distributable on any Payment Date in accordance with the Priorities of Payments are insufficient to pay the Subordinated Management Fee in full, then a portion of the Subordinated Management Fee equal to the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priorities of Payments.

The Collateral Manager may also elect to defer any Senior Management Fees and Subordinated Management Fees. Any amounts so deferred shall be applied in accordance with the Priorities of Payments. To the extent that the Collateral Manager elects to defer all or a portion thereof, the Senior Management Fee and/or Subordinated Management Fee, as applicable, will be deferred and will be payable on subsequent Payment Dates in accordance with the Priorities of Payments. Any due and unpaid Collateral Management Fees and any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts shall not accrue any interest. In addition, in accordance with Condition 3(c) (*Priorities of Payments*), the Collateral

Manager may, in its sole discretion, elect to designate all or a portion of the Senior Management Fee and/or the Subordinated Management Fee otherwise payable on a Payment Date for reinvestment in, or to be deferred to be used to purchase, Substitute Collateral Obligations.

Except as otherwise agreed to by the Issuer and the Collateral Manager, the costs and expenses (including the fees and disbursements of counsel and accountants but excluding all overhead costs and employees' salaries) of the Collateral Manager and of the Issuer incurred in connection with the negotiation and preparation of and the execution of the Collateral Management and Administration Agreement and any amendment thereto, and all matters incidental thereto, shall be borne by the Issuer. Subject to the provisions relating to Administrative Expenses in the Priorities of Payments, the Issuer will reimburse the Collateral Manager for expenses including fees and out-of-pocket expenses reasonably incurred by the Collateral Manager in connection with services provided under the Collateral Management and Administration Agreement including, without limitation, (a) legal advisers, consultants, rating agencies, accountants, brokers and other professionals retained by the Issuer or the Collateral Manager (on behalf of the Issuer), (b) asset pricing and asset rating services, compliance services and software, and accounting, programming and data entry services directly related to the management of the Collateral, (c) taxes (excluding recoverable VAT) in respect of any such expenses, stamp duty and similar transfer taxes, regulatory and governmental charges, insurance premiums or expenses, (d) any and all costs and expenses incurred in connection with the acquisition, disposition of investments on behalf of the Issuer (whether or not actually consummated) and management thereof, including attorneys' fees and disbursements, (e) preparing reports to holders of the Notes, (f) reasonable travel expenses (including without limitation airfare, meals, lodging and other transportation) undertaken in connection with the performance by the Collateral Manager of its duties pursuant to the Collateral Management and Administration Agreement or other Transaction Document (including for the avoidance of doubt, travel expenses incurred in connection with the attendance of the Collateral Manager's officers and employees at any bank or due diligence meetings) for the avoidance of doubt and in each case, whether or not an acquisition or disposition of investments is actually consummated as a result of such outgoings, (g) expenses and costs in connection with communications or meetings with any investors or potential investors (including, for the avoidance of doubt expenses and costs in connection with any investor conferences), (h) any broker or brokers in consideration of brokerage services provided to the Collateral Manager in connection with the sale or purchase of any Collateral Obligation, Equity Security, Eligible Investment, or other assets received in respect thereof, (i) bookkeeping, accounting or recordkeeping services obtained or maintained with respect to the Issuer (including those services rendered at the behest of the Collateral Manager), (j) software programs licensed from a third party and used by the Collateral Manager in connection with servicing the Collateral, (k) fees and expenses incurred in obtaining the Market Value of Collateral Obligations (including without limitation fees payable to any nationally recognised pricing service), (l) audits incurred in connection with any consolidation review, (m) any fees, expenses or other amounts payable to parties specified in the Collateral Management and Administration Agreement, (n) any expense incurred by it to employ outside lawyers or consultants necessary, or any reasonable travel expenses incurred, in connection with the default, restructuring or enforcement of any Collateral Obligation, (o) the fees and expenses of any legal advisers, consultants, or other professionals retained by the Issuer or the Collateral Manager on behalf of the Issuer in connection with the services provided by the Collateral Manager pursuant to the Collateral Management and Administration Agreement including legal due diligence and documentation reviews and other reviews in connection with such transactions, whether proposed transactions or transactions which are, in fact, consummated, (p) expenses related to compliance-related matters and regulatory filings relating to the Issuer's activities, (q) any other reasonable fees and expenses associated with the Issuer's investment activities and operations, including brokerage commissions, custodial fees, bank service fees, withholding and transfer fees, clearing and settlement fees, research costs and the Issuer's *pro rata* share of licensing fees for any software for record keeping and (r) as otherwise agreed upon by the parties to the Collateral Management and Administration Agreement.

Fees payable to, and costs and expenses of, the Collateral Manager, shall accrue up to the date on which the Collateral Manager's appointment is terminated or the Collateral Manager resigns its appointment, as described further below.

Standard of Care of the Collateral Manager

The Collateral Manager will perform its obligations under the Collateral Management and Administration Agreement and under the Trust Deed with reasonable care and in good faith, in a manner consistent with practices and procedures followed by reputable institutional managers of international standing relating to assets of the nature and character of the Collateral (the "**Standard of Care**"), provided that the Collateral Manager will not be liable for any loss or damages resulting from any failure to satisfy the Standard of Care except to the extent any act or omission of the Collateral Manager constitutes a Collateral Manager Breach (as defined

below). The Standard of Care may change from time to time to reflect changes by the Collateral Manager to its customary standards, policies and procedures provided that such customary standards, policies and procedures are at least as rigorous as the foregoing. To the extent not inconsistent with the foregoing, the Collateral Manager will follow its customary standards, policies and procedures in performing its duties under the Collateral Management and Administration Agreement.

Liability of the Collateral Manager

The Collateral Manager shall not be responsible for, amongst other things, any action or inaction of the Issuer or the Trustee in following or declining to follow any advice, recommendation or direction of the Collateral Manager. The Collateral Manager, its Affiliates and its shareholders or members and their respective Collateral Manager Related Persons shall not be liable (whether directly or indirectly, in contract or in tort or otherwise) to the Issuer, the Trustee, any holder of the Notes, the Initial Purchaser, any of their respective Affiliates, shareholders or any other Persons for any act, omission, error of judgment, mistake of law, or for any claim, loss, liability (including tax liability), damage, judgments, assessments, settlement, cost, or other expense (including attorneys' fees and expenses and court costs) arising out of or in connection with any investment, or for any other act or omission in the performance of the Collateral Manager's, its managers', directors', officers', partners', agents' or employees' obligations under or in connection with the Collateral Management and Administration Agreement or the terms of any other Transaction Document applicable to the Collateral Manager, incurred as a result of actions taken or recommended or for any omissions of the Collateral Manager, or for any decrease in the value of the Collateral, except for liability to which the Collateral Manager would be subject when performing duties in accordance with the Standard of Care (a) by reason of acts or omissions constituting fraud, wilful default or negligence in the performance of its duties in any capacity under the Collateral Management and Administration Agreement (it being understood and agreed that with respect to any action taken or to be taken by the Collateral Manager on the Issuer's behalf in connection with the purchase of any instrument or the entering into of any agreement, the Collateral Manager will be deemed to be acting in compliance with its duty of care as it relates to the risk of the Issuer being treated as engaged in a trade or business within the United States, if such action does not violate the U.S. Tax Guidelines, except to the extent that there has been a change in law after the date hereof of which the Collateral Manager has knowledge (having made reasonable enquiries as to whether any such change of law has occurred and is binding on the Collateral Manager, in each case, in accordance with the Standard of Care) would require relevant changes to such tax restrictions prior to such action in order to prevent the Issuer from being treated as being engaged in a trade or business within the United States for U.S. federal income tax purposes or otherwise cause the Issuer to be subject to U.S. federal income tax on a net basis notwithstanding compliance with the U.S. Tax Guidelines, provided that the Collateral Manager may take an action that is not permitted by the U.S. Tax Guidelines if (x) such action is otherwise permitted under the Collateral Management and Administration Agreement and the Trust Deed and (y) the Collateral Manager has received an opinion from tax counsel as specified in the Collateral Management and Administration Agreement that the departure would not cause the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes or otherwise to be subject to U.S. federal income tax on a net basis) or (b) by reason of any information provided by the Collateral Manager for inclusion in this Offering Circular containing any untrue statement of material fact or omitting to state a material fact necessary in order to make such statements, in the light of the circumstances in which they were made, not misleading (together, "**Collateral Manager Breaches**"). The Collateral Manager shall not be liable for any consequential, punitive or exemplary damages or lost profits under the Collateral Management and Administration Agreement or otherwise. The Collateral Manager (for itself and the other Relevant Parties (as defined in the Collateral Management and Administration Agreement)) will be entitled to indemnification by the Issuer under certain circumstances, which will be payable as Administrative Expenses in accordance with the Priorities of Payments, and the Issuer (for itself and its managers, directors, officers, partners, agents or employees) and the Trustee (for itself and its Affiliates and its managers, directors, officers, partners, agents or employees) will be entitled to indemnification by the Collateral Manager, in each case as described in the Collateral Management and Administration Agreement.

Conflicts of Interest

Various potential and actual conflicts of interest may arise from the overall investment and other activities of the Collateral Manager or a Collateral Manager Related Person, from their investing for their own accounts or for the accounts of others and from the Collateral Manager participating in the structuring of the transaction and from it acting as a Warehouse Provider.

Although the Collateral Manager and certain of its officers and employees will devote such time and effort as may be reasonably required to enable the Collateral Manager to discharge its duties to the Issuer under the Collateral Management and Administration Agreement, they will not devote all of their working time to the affairs of the Issuer. As part of their regular business, the Collateral Manager, and the Collateral Manager Related Persons may hold, purchase, sell, trade or take other related actions both for their respective accounts and for the accounts of their respective clients, on a principal or agency basis, with respect to loans, securities and other investments and financial instruments of all types. No provision in the Collateral Management and Administration Agreement prevents the Collateral Manager or Collateral Manager Related Persons from rendering services of any kind to any person or entity, including the issuer of any obligation included in the Collateral Obligations and their respective Affiliates, the Trustee, the holders of the Notes and the Hedge Counterparties. Without limiting the generality of the foregoing, the Collateral Manager or Collateral Manager Related Persons and the directors, officers, employees and agents of the Collateral Manager and the Collateral Manager Related Persons may, among other things: (a) serve as directors, partners, officers, employees, agents, nominees or signatories for any issuer of any obligation included in the Collateral Obligations; (b) receive and retain fees for services rendered to the issuer of any obligation included in the Collateral Obligations or any Affiliate thereof; (c) be retained to provide services unrelated to the Collateral Management and Administration Agreement to the Issuer and be paid therefor; (d) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any obligation included in the Collateral Obligations; (e) sell or terminate any Collateral Obligations or Eligible Investments to, or purchase or enter into any Collateral Obligations from, the Issuer while acting in the capacity of principal or agent; (f) serve as a member of any "creditors' board" with respect to any obligation included in the Collateral Obligations which has become or may become a Defaulted Obligation; (g) underwrite, act as distributor of, or make a market in any Collateral Obligation, provided that with respect to such market, the Collateral Manager is not acting as agent for the Issuer; (h) provide investment advisory services to their clients; and (i) maintain other relationships with any issuer or obligor or Affiliate of any issuer or obligor of any obligations included in the Collateral. Services of this kind may lead to securities laws restrictions on transactions in such securities by the Issuer and otherwise create conflicts of interest for the Issuer and may lead individual officers or employees of the Collateral Manager to act in a manner adverse to the Issuer. In such instances, the Collateral Manager, and the Collateral Manager Related Persons and their respective officers and employees may in their discretion make investment recommendations and effect investment decisions that may be the same as or different from those made with respect to the Issuer's investments. In connection with any such activities described above, the Collateral Manager and the Collateral Manager Related Persons and their respective officers and employees may hold, purchase, sell, trade or take other related actions in securities or investments of a type that may be suitable to be included as Collateral Obligations. The Collateral Manager and the Collateral Manager Related Persons and their respective officers and employees will not be required to offer such securities or investments to the Issuer or provide notice of such activities to the Issuer. The Collateral Manager is also entitled to retain fees and commissions in connection with work-out, restructuring, arrangement and underwriting fees.

Furthermore, the Collateral Manager and/or Collateral Manager Related Persons may make an investment on behalf of any account that they manage or advise without offering the investment opportunity to or making any investment on behalf of the Issuer. The Collateral Manager and/or Collateral Manager Related Persons have no affirmative obligation to offer any investments to the Issuer or to inform the Issuer of any investments before offering any investments to other funds or accounts that the Collateral Manager and/or Collateral Manager Related Persons manage or advise. Furthermore, Affiliates of the Collateral Manager may make an investment on their own behalf without offering the investment opportunity to, or the Collateral Manager making any investment on behalf of, the Issuer. Affirmative obligations may exist or may arise in the future, whereby Affiliates of the Collateral Manager are obliged to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Collateral Manager offering those investments to the Issuer. The Collateral Manager will endeavour to resolve conflicts with respect to investment opportunities in a manner which it deems equitable to the extent possible under the prevailing facts and circumstances. Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management and Administration Agreement, those staff may have conflicts in allocating their time and services among the Issuer and the Collateral Manager's other accounts.

The Collateral Manager, acting on behalf of the Issuer, may effect transactions between the Issuer and other entities (including other CLO issuers) in respect of which the Collateral Manager or an Affiliate of the Collateral Manager acts as collateral manager. The Collateral Manager, on behalf of the Issuer, may conduct principal trades with itself and/or Collateral Manager Related Persons, subject to applicable law. The Collateral Manager may also effect client cross transactions where the Collateral Manager causes a transaction to be effected

between the Issuer and a Collateral Manager Related Person. Client cross transactions enable the Collateral Manager to purchase or sell a block of securities for the Issuer at a set price and possibly avoid an unfavourable price movement that may be created through entrance into the market with such purchase or sell order. In addition, the Issuer has agreed to permit cross transactions subject to and in accordance with the terms of the Collateral Management and Administration Agreement. Accordingly, subject as provided above, the Collateral Manager may enter into agency cross transactions where any Collateral Manager Related Person acts as investment manager or adviser or broker for, and may receive commissions or other compensation from both the Issuer and the other party to the cross transaction, and will have a potentially conflicting division of loyalties and responsibilities with respect to both parties to the transaction.

For further information on conflicts of interest relating to the Collateral Manager, see "*Risk Factors—4. Certain Conflicts of Interests—Collateral Manager*".

Termination of the Appointment of the Collateral Manager

Resignation of the Collateral Manager

The Collateral Manager may, subject to the appointment of a successor collateral manager in accordance with the terms of the Collateral Management and Administration Agreement, resign upon 90 days' prior written notice to the Issuer (or such shorter notice as is acceptable to the Issuer), the Noteholders, each Hedge Counterparty and the Trustee; provided that the Collateral Manager shall have the right to resign immediately whether or not a replacement Collateral Manager has been appointed upon the effectiveness of any material change in applicable law or regulations which renders the performance by the Collateral Manager of its duties under the Collateral Management and Administration Agreement or under the Trust Deed to be a violation of such law or regulation.

Any such resignation is without prejudice and subject to fulfilment of the Collateral Manager's obligations in its capacity as Retention Holder in respect of the Retention Notes under the Risk Retention Letter (unless the same are transferred in accordance with the terms of the Risk Retention Letter as described herein in "*The Retention Holder and Retention Requirements*" above).

Removal of the Collateral Manager

Subject to the paragraph below regarding automatic termination, upon the occurrence of a Collateral Manager Event of Default (other than pursuant to paragraph (viii) of the definition thereof), the Collateral Management and Administration Agreement may be terminated, and the Collateral Manager may be removed (i) at the Issuer's discretion; (ii) at the direction of the Controlling Class acting by Extraordinary Resolution; or (iii) (x) in the case of a Key Person Event or a Collateral Manager Insolvency Event, at the direction of the Subordinated Noteholders acting by Ordinary Resolution and (y) in the case of any Collateral Manager Event of Default other than a Key Person Event or a Collateral Manager Insolvency Event, at the direction of the Subordinated Noteholders acting by Extraordinary Resolution (in each case, excluding any CM Non-Voting Exchangeable Notes, CM Non-Voting Notes and Collateral Manager Notes), upon 30 Business Days' prior written notice to the Collateral Manager, the Trustee, each Hedge Counterparty and each Rating Agency.

The Collateral Management and Administration Agreement will automatically terminate upon the earliest to occur of (i) the payment in full of the Notes and all other amounts owing to the Secured Parties and the termination of the Trust Deed in accordance with its terms (ii) the liquidation of the Portfolio and the final distribution of the proceeds of such liquidation as provided in the Trust Deed, and (iii) the determination in good faith by the Issuer that the Issuer or the Portfolio has become required to be registered under the Investment Company Act, and the Issuer notifies the Collateral Manager thereof.

Any rights of the Collateral Manager stated to survive the termination of the Collateral Management and Administration Agreement shall remain vested in the Collateral Manager after such termination in accordance with the terms of the Collateral Management and Administration Agreement.

Replacement

Except as specified above, no resignation or removal of the Collateral Manager or termination of the Collateral Management and Administration Agreement shall be effective until the date as of which a successor Collateral Manager shall have been appointed and approved subject to and in accordance with the Collateral Management and Administration Agreement and has accepted all of the Collateral Manager's duties and obligations pursuant

to the Collateral Management and Administration Agreement in writing and has assumed such duties and obligations.

Any such successor must be an institution which:

(a) has demonstrated an ability to perform professionally and competently duties similar to those imposed upon the Collateral Manager under the Collateral Management and Administration Agreement and has a substantially similar (or higher) level of expertise;

(b) is legally qualified and has the capacity (including Irish regulatory capacity to provide collateral management services to Irish counterparties as a matter of the laws of Ireland) to act as collateral manager under the Collateral Management and Administration Agreement and under the applicable terms of the Trust Deed as successor to the Collateral Manager under the Collateral Management and Administration Agreement;

(c) does not cause or result in the Issuer becoming, or require the pool of Collateral to be registered as, an investment company under the Investment Company Act;

(d) does not cause the Issuer to (i) be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes or otherwise subject to U.S. federal income tax on a net basis or (ii) be required to pay income, corporate, trade or similar taxes in any tax jurisdiction other than Ireland;

(e) does not cause or result in value added tax or any similar tax being chargeable on any of the fees payable by the Issuer (whether to a tax authority or counterparty);

(f) has been the subject of Rating Agency Confirmation from each Rating Agency; and

(g) if it is to be the relevant retention party for the purposes of the Retention Requirements, the transfer of the Retention Notes to such entity is permitted under and contemplated by the Risk Retention Letter, permitted under the Retention Requirements and would not cause the transaction described in this Offering Circular to cease to be compliant with the Retention Requirements,

(each such institution satisfying such requirements, an "**Eligible Successor**").

Within 90 days of the resignation, termination or removal of the Collateral Manager while any of the Notes are outstanding, the Subordinated Noteholders (acting by Ordinary Resolution) may propose a successor Collateral Manager by delivering notice thereof to the Issuer, the Trustee and the Noteholders. The Controlling Class (acting by Ordinary Resolution) may within 30 days of receipt of such notice, object to such successor Collateral Manager by delivery of notice of such objection to the Issuer and the Trustee. If no notice of objection is received by the Issuer and the Trustee within such time period, such proposed successor Collateral Manager will be appointed Collateral Manager by the Issuer.

If the Subordinated Noteholders (acting by Ordinary Resolution) make no such proposal within such 90-day period or the Controlling Class (acting by Ordinary Resolution) rejects the successor Collateral Manager proposed by the Subordinated Noteholders (acting by Ordinary Resolution) by delivery of notice of objection to the Issuer and the Trustee, the Controlling Class (acting by Ordinary Resolution and confirming in such resolution that the proposed successor Collateral Manager is not an Affiliate of a holder of the Controlling Class) may propose a successor Collateral Manager by delivering notice thereof to the Issuer, the Trustee and the Noteholders; provided, that no such proposed successor Collateral Manager may be an Affiliate of a holder of the Controlling Class.

The Subordinated Noteholders (acting by Ordinary Resolution) may, within 30 days from receipt of such notice, object to such successor Collateral Manager by delivery of notice of such objection to the Issuer and the Trustee. If no notice of objection is received by the Issuer and the Trustee within such time period, such proposed successor Collateral Manager will be appointed Collateral Manager by the Issuer.

Within 30 days of receipt of a notice of objection referred to above, either the Controlling Class (acting by Ordinary Resolution) or the Subordinated Noteholders (acting by Ordinary Resolution) may propose a successor Collateral Manager by written notice to the Trustee, the Issuer and the Noteholders. In the case of such proposal by the Controlling Class, the Subordinated Noteholders (acting by Ordinary Resolution), may, within 30 days from receipt of such notice, deliver to the Issuer and the Trustee notice of objection thereto. In the case of such a proposal by the Subordinated Noteholders, the Controlling Class (acting by Ordinary Resolution) may, within

30 days from receipt of such notice, deliver to the Issuer and the Trustee notice of such objection thereto. If no notice of objection of the Subordinated Noteholders (acting by Ordinary Resolution) is received by the Issuer and the Trustee within the relevant time period (in the case of a proposal by the Controlling Class) or no notice of objection of the Controlling Class (acting by Ordinary Resolution) is received by the Issuer and the Trustee within the relevant time period (in the case of a proposal by the Subordinated Noteholders), such proposed successor Collateral Manager will be appointed Collateral Manager by the Issuer. If a notice of objection from the Subordinated Noteholders (acting by Ordinary Resolution) is received within 30 days (in the case of a proposal by the Controlling Class) or a notice of objection from the Controlling Class (acting by Ordinary Resolution) is received within 30 days (in the case of a proposal by the Subordinated Noteholders), then either group of Noteholders may again propose a successor Collateral Manager in accordance with the foregoing.

Notwithstanding the above, if no successor Collateral Manager has been appointed within 150 days following the date of resignation, termination or removal of the Collateral Manager, the Issuer will appoint a successor Collateral Manager proposed by the Controlling Class (acting by Ordinary Resolution and confirming in such resolution that the proposed successor Collateral Manager is not an Affiliate of a holder of the Controlling Class) so long as such successor Collateral Manager: (i) is not a Person that was previously objected to by the Subordinated Noteholders (acting by Ordinary Resolution); and (ii) is not an Affiliate of a holder of the Controlling Class.

No Notes either held in the form of Collateral Manager Notes, CM Non-Voting Notes or CM Non-Voting Exchangeable Notes shall have any voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of voting on any CM Removal Resolution or CM Replacement Resolution. Where all of the Subordinated Notes Outstanding are Collateral Manager Notes, the Controlling Class (acting by Ordinary Resolution) alone shall be permitted to direct the Issuer in connection with the appointment of a replacement Collateral Manager.

Assignment and Delegation

Except as provided below, the Collateral Manager may not assign or delegate its material rights or responsibilities under the Collateral Management and Administration Agreement:

(a) except to an Eligible Successor; and

(b) without obtaining the consent of the Issuer and the consent of the Controlling Class acting by Ordinary Resolution and the Subordinated Noteholders, acting by Ordinary Resolution (but excluding any holders of CM Non-Voting Notes, CM Non-Voting Exchangeable Notes and Collateral Manager Notes, and provided that the consent of the Subordinated Noteholders shall not be required in circumstances where all of the Outstanding Subordinated Notes are Collateral Manager Notes).

The Collateral Manager may, without obtaining the consent of any holder of the Notes and without obtaining the prior consent of the Issuer:

(a) assign any of its rights or obligations under the Collateral Management and Administration Agreement to an Affiliate provided that such Affiliate is an Eligible Successor; or

(b) enter into (or have any affiliated entity enter into) any consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets to, another entity provided that at the time of such consolidation, merger, amalgamation or transfer the resulting, surviving or transferee entity (i) assumes all the obligations of the Collateral Manager under the Collateral Management and Administration Agreement generally (whether by operation of law or by contract) (ii) is solely a continuation of the Collateral Manager in another corporate or similar form and has substantially the same personnel and (iii) is an Eligible Successor.

Upon the acceptance by a successor Collateral Manager of any such assignment referred to above, all rights and obligations of the Collateral Manager under the Collateral Management and Administration Agreement shall terminate (except as provided in clause 12 (*Records; Confidentiality*), clause 14.5 (*Partial Periods*), clause 16 (*Limits of Collateral Manager Responsibility; Indemnification*) and clause 19 (*Action upon termination*) thereof) and the Collateral Manager shall thereafter have no liability under the Collateral Management and Administration Agreement or for any actions of the successor Collateral Manager; provided that the Collateral Manager shall remain liable for any claims arising under the Collateral Management and Administration Agreement prior to such assignment which it would be otherwise be liable for; and provided that any such

assignment or transfer will be without prejudice to the obligations of the Collateral Manager in its capacity as Retention Holder under the Risk Retention Letter (unless the same are transferred in accordance with the terms of the Risk Retention Letter as described above and in the Collateral Management and Administration Agreement). In relation to any delegation by the Collateral Manager pursuant to any of the above paragraphs, the Collateral Manager shall not be relieved of any of its duties under the Collateral Management and Administration Agreement regardless of the performance of any services by the delegate and shall remain liable for the performance of its obligations under the Collateral Management and Administration Agreement.

In addition, in providing services under the Collateral Management and Administration Agreement, the Collateral Manager may rely in good faith upon and will incur no liability for relying upon advice of nationally recognised counsel (which may be counsel for, or an agent of, an issuer of any Collateral Obligation or Eligible Investment or any of its Affiliates), accountants or other advisers as the Collateral Manager determines, in its sole discretion, is reasonably appropriate in connection with the services provided by the Collateral Manager under the Collateral Management and Administration Agreement. The Collateral Manager may, without the consent of any party, employ third parties, including, without limitation, its Affiliates and owners, to render advice (including investment advice), to provide services to arrange for trade execution and otherwise provide assistance to the Issuer and to perform any of its duties under the Collateral Management and Administration Agreement; provided that the Collateral Manager shall not be relieved of any of its duties under the Collateral Management and Administration Agreement regardless of the performance of any services by third parties, including Affiliates.

Key Persons

Under the terms of the Collateral Management and Administration Agreement, while Spire Partners LLP is the Collateral Manager, in the event that any two of Jonathan Russell, Oliver Drummond Smith or Philip Bennett-Britton (including for the avoidance of doubt, any replacement for such Key Persons replaced pursuant to paragraph (b) below, each a "**Key Person**" and together the "**Key Persons**") cease to spend substantial time involved in the managerial activities of the Collateral Manager relevant to the Issuer under the Collateral Management and Administration Agreement (including being a member of the investment committee of the Collateral Manager) (the "**Key Person Trigger**"): (a) the holders of the Subordinated Notes may by Ordinary Resolution instruct the Issuer in writing to suspend the ability of the Collateral Manager under the Collateral Management and Administration Agreement to (i) dispose of Collateral Obligations (other than Credit Improved Obligations, Credit Risk Obligations, Defaulted Obligations, Equity Securities or Exchanged Equity Securities, each of which may continue to be disposed of by the Collateral Manager (acting on behalf of the Issuer) in accordance with the terms of the Collateral Management and Administration Agreement) and (ii) acquire Substitute Collateral Obligations, in each case, until a replacement Key Person is appointed in accordance with paragraph (b) below; and (b) the Collateral Manager may replace such Key Person(s) by either (i) an existing professional staff member or officer of the Collateral Manager or any of its Affiliates as a replacement for such Key Person or (ii) a suitably qualified professional who has been hired with broadly comparable experience of the Key Person so ceasing to spend substantial time involved in the managerial activities of the Collateral Manager, in each case, provided such replacement has been approved by the holders of the Subordinated Notes acting by Ordinary Resolution within 30 Business Days (or such longer period as may be agreed to by the Subordinated Noteholders acting by Ordinary Resolution) of the occurrence of the Key Person Trigger. The failure of the Collateral Manager to so replace a Key Person in accordance with paragraph (b) above, on and following the occurrence of the Key Person Trigger, will constitute a "**Key Person Event**".

Governing Law

The Collateral Management and Administration Agreement, and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating thereto, or to its formation (including any non-contractual disputes or claims), shall be governed by, and construed in accordance with, the laws of England.

DESCRIPTION OF THE COLLATERAL ADMINISTRATOR

The information appearing in this section has been prepared by the Collateral Administrator and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Issuer, the Initial Purchaser or any other party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

"**Deutsche Bank AG, London Branch**" is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG, London Branch is an authorised person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

As of 31 March 2014, Deutsche Bank Group had total assets of Euro 1,636,574 million, total liabilities of Euro 1,580,557 million, and total equity of Euro 56,017 million on the basis of International Financial Reporting Standards (unaudited).

Deutsche Bank's long-term senior debt has been assigned a rating of A (outlook credit watch negative) by Standard & Poor's, A3 (outlook negative) by Moody's Investors Service and A+ (outlook negative) by Fitch.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Administrator may be removed: (a) without cause at any time upon at least 90 days' prior written notice by (i) the Issuer at its discretion or (ii) the Trustee acting upon the written direction of the Subordinated Noteholders acting by way of Ordinary Resolution and subject to the Trustee being secured and/or indemnified and/or prefunded to its satisfaction; or (b) with cause upon at least 10 days' prior written notice by (i) the Issuer at its discretion or (ii) the Trustee acting upon the written directions of the Subordinated Noteholders acting by way of Ordinary Resolution and subject to the Trustee being secured and/or indemnified to its satisfaction. In addition, the Collateral Administrator may also resign its appointment without cause on at least 45 days' prior written notice and with cause upon at least 10 days' prior written notice to the Issuer, the Trustee and the Collateral Manager. No resignation or removal of the Collateral Administrator will be effective until a successor collateral administrator has been appointed pursuant to the terms of the Collateral Management and Administration Agreement and notice of such appointment and resignation has been given by the Issuer to the Noteholders.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions of which, pursuant to the Collateral Management and Administration Agreement, are required to be contained in each Hedge Agreement and Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein if such Hedge Agreement is a Form Approved Hedge (for the avoidance of doubt, including where such Form Approved Hedge is entered into on the Issue Date) or, where such Hedge Agreement is not a Form Approved Hedge, subject to receipt of Rating Agency Confirmation in respect thereof.

Hedge Agreements

Subject to the receipt by the Issuer (or the Collateral Manager on behalf of the Issuer) of legal advice from reputable legal counsel to the effect that the entry into such arrangements should not require any of the Issuer, its directors or officers or the Collateral Manager to register with the United States Commodity Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended (the "**Hedging Condition**"), the Issuer (or the Collateral Manager on its behalf) may enter into transactions documented under a 1992 (Multicurrency - Cross Border) or 2002 Master Agreement or such other form published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"). Each Hedge Transaction will be evidenced by a confirmation entered into pursuant to a Hedge Agreement.

Each Hedge Transaction will be used:

(a) in the case of an Interest Rate Hedge Transaction, to hedge any interest rate mismatch between the Rated Notes and the Collateral Obligations; and

(b) in the case of a Currency Hedge Transaction, to exchange payments of principal, interest and other amounts in respect of any Non-Euro Obligation for amounts denominated in Euros at the Currency Hedge Transaction Exchange Rate,

in each case subject to receipt of Rating Agency Confirmation in respect thereof (save in the case of a Form Approved Hedge) and provided that the Hedge Counterparty satisfies the applicable Rating Requirement (taking into account any guarantor thereof) and has the Irish regulatory capacity to enter into derivatives transactions with Irish residents.

Replacement Hedge Transactions

Currency Hedge Transactions: In the event that any Currency Hedge Transaction terminates in whole at any time in circumstances in which the applicable Currency Hedge Counterparty is the "**Defaulting Party**" or sole "**Affected Party**" (each as defined in the applicable Currency Hedge Agreement) the Issuer, or the Collateral Manager on its behalf, shall use commercially reasonable efforts to enter into a replacement Currency Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and which has the Irish regulatory capacity to enter into derivatives transactions with Irish residents.

Interest Rate Hedge Transactions: In the event that any Interest Rate Hedge Transaction terminates in whole at any time in circumstances in which the applicable Interest Rate Hedge Counterparty is the "**Defaulting Party**" or sole "**Affected Party**" (each as defined in the applicable Interest Rate Hedge Agreement) the Issuer, or the Collateral Manager on its behalf, shall use commercially reasonable efforts to enter into a replacement Interest Rate Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and which has the Irish regulatory capacity to enter into derivatives transactions with Irish residents.

Standard Terms of Currency Hedge Transactions

Any Currency Hedge Transaction shall contain the following terms (provided that the Issuer may enter into Currency Hedge Transactions on different terms than those set forth below if such Currency Hedge Transactions are entered into as a Form Approved Hedge (for the avoidance of doubt, including where such Form Approved

Hedge is entered into on the Issue Date) or, where such Hedge Agreement is not a Form Approved Hedge, subject to receipt of Rating Agency Confirmation in respect thereof):

(a) on the effective date of entry into such transaction, the Issuer pays to the Currency Hedge Counterparty an initial exchange amount in Euros equal to the purchase price of such Non-Euro Obligation, converted into Euros at the Currency Hedge Transaction Exchange Rate in exchange for payment by the Currency Hedge Counterparty of an initial exchange amount in the relevant currency equal to the purchase price of such Non-Euro Obligation;

(b) on the scheduled date of termination of such transaction, as described in the confirmation, the Issuer pays to the Currency Hedge Counterparty an amount equal to the amount payable upon maturity of the Non-Euro Obligation in the relevant currency (the "**Proceeds on Maturity**") in exchange for payment by the Currency Hedge Counterparty of an amount denominated in Euros, such amount to be an amount equal to the Proceeds on Maturity converted into Euros at the Currency Hedge Transaction Exchange Rate;

(c) following the sale of any Non-Euro Obligation, the Issuer shall pay to the Currency Hedge Counterparty an amount equal to the sale proceeds of such Non-Euro Obligation in the relevant currency (the "**Proceeds on Sale**") in exchange for payment by the Currency Hedge Counterparty of an amount denominated in Euros, such amount to be an amount equal to the Proceeds on Sale converted into Euros at the Currency Hedge Transaction Exchange Rate less any amounts payable to the Currency Hedge Counterparty in respect of the early termination of the relevant Currency Hedge Transaction (or such other amount to the Currency Hedge Counterparty in respect of such sale and early termination as may be agreed between the Issuer and the Currency Hedge Counterparty);

(d) upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), and upon the Trustee, the Collateral Manager or any other agent of the Issuer (including any insolvency practitioner, receiver, or equivalent such person in any relevant jurisdiction), selling the relevant Non-Euro Obligation, the Currency Hedge Counterparty shall receive the proceeds of the sale of the Non-Euro Obligation from the Issuer and return the Euro-equivalent amount owing, less any amount payable to the Currency Hedge Counterparty in respect of the early termination of the Currency Hedge Transaction and the Currency Hedge Transaction shall terminate in accordance with its terms; and

(e) notwithstanding (d) above, upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Currency Hedge Counterparty may, but shall not be obliged to, terminate any or all Currency Hedge Transactions in which case any Currency Hedge Issuer Termination Payment would be paid in accordance with the Post-Acceleration Priority of Payments.

The Collateral Manager, acting on behalf of the Issuer, shall convert all amounts received by it in respect of any Non-Euro Obligation which is not the subject of a related Currency Hedge Transaction into Euros promptly upon receipt thereof at the then prevailing Spot Rate and shall procure that such amounts are paid into the Principal Account or the Interest Account, as applicable.

All amounts received by the Issuer in respect of Non-Euro Obligations shall be paid into the sub-account of the Currency Accounts and all amounts payable by the Issuer under any Currency Hedge Transaction (other than Hedge Replacement Payments and Hedge Issuer Termination Payments) will be paid in the relevant currency out of the sub-account in the relevant currency of the Currency Accounts to the extent amounts are available therein.

Standard Terms of the Hedge Agreements

Each Hedge Agreement entered into by or on behalf of the Issuer shall contain the following standard provisions, save to the extent that any change thereto is agreed by the applicable Hedge Counterparty, provided that where such Hedge Agreement is a Form Approved Hedge, such Hedge Agreement may be on terms other than as set out below (for the avoidance of doubt, including where such Hedge Agreement is entered into on the Issue Date) or, where such Hedge Agreement is not a Form Approved Hedge, subject to receipt of Rating Agency Confirmation in respect thereof.

Gross up

Under each Hedge Agreement the Issuer will not be obliged to gross up any payments thereunder in the event of any withholding or deduction for or on account of tax required to be paid on such payments. Any such event may however result in a "Tax Event" which is a "Termination Event" for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a Tax Event (as defined in such Hedge Agreement), each Hedge Agreement will include provision for the relevant Affected Party (as defined therein) to use reasonable endeavours to (i) (in the case of the Hedge Counterparty) arrange for a transfer of all of its interests and obligations under the Hedge Agreement and all Transactions (as defined in the Hedge Agreement) thereunder to an Affiliate that is incorporated in another jurisdiction so as to avoid the requirement to withhold or deduct for or on account of tax; or (ii) (in the case of the Issuer) transfer its residence for tax purposes to another jurisdiction or if a substitute principal obligor under the Notes has been substituted for the Issuer in accordance with Condition 9 (*Taxation*), arrange for a transfer of all of its interest and obligations under the Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein (including receipt of Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of Payment set out in Condition 3(c) (*Priorities of Payments*). The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse and Non-Petition*).

Termination Provisions

Each Hedge Transaction may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the earlier to occur of certain events, which may include but shall not be limited to:

(a) certain events of bankruptcy, insolvency, receivership or reorganisation of the Issuer or the related Hedge Counterparty;

(b) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the applicable Hedge Transaction after taking into account the applicable grace period;

(c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or perform its obligations under, the applicable Hedge Transaction;

(d) the principal due in respect of the Notes is declared to be due and payable in accordance with the terms of the Trust Deed and, in some cases, the Trustee has started to sell all or part of the Collateral as a consequence thereof;

(e) the Notes are redeemed in whole prior to the Maturity Date (otherwise than as a result of a Note Event of Default thereunder);

(f) representations related to certain regulatory matters prove to be incorrect;

(g) other regulatory changes occur which have a material adverse effect on a Hedge Counterparty; and

(h) material changes are made to the Transaction Documents without the consent of a Hedge Counterparty which would have a material adverse effect on the Hedge Counterparty.

A termination of a Hedge Transaction does not constitute a Note Event of Default under the Notes though the repayment in full of the Notes may be an additional termination event under a Hedge Agreement.

Upon the occurrence of any Event of Default or Termination Event (each as defined in the applicable Hedge Agreement), a Hedge Transaction may be terminated by the Hedge Counterparty or the Issuer (or the Collateral Manager on its behalf) in accordance with the detailed provisions thereof and a lump sum (the "**Termination Payment**") may become payable by the Issuer to the applicable Hedge Counterparty or vice versa. Such Termination Payment will be determined by the applicable Hedge Counterparty and/or the Issuer (or the Collateral Manager on its behalf) by reference to market quotations obtained in respect of the entry into a replacement swap(s) on the same terms as that terminated or as otherwise described in the applicable Hedge

Agreement or, to the extent that such determination does not produce a commercially reasonable result, any loss suffered by a party.

Transfer and Modification

The Collateral Manager acting on behalf of the Issuer, may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form Approved Hedge following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose credit support provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and provided that such institution has the regulatory capacity to enter into derivatives transactions with Irish residents.

Reporting of Specified Hedging Data

The Collateral Manager, on behalf of the Issuer, may from time to time enter into Reporting Delegation Agreements for the delegation of certain derivative transaction reporting obligations to one or more Reporting Delegates.

Governing Law

Each Hedge Agreement together with each Hedge Transaction thereunder in each case, including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

DESCRIPTION OF THE REPORTS

*Terms used and not otherwise defined herein or in this Offering Circular as specifically referenced herein shall have the meaning given to them in Condition 1 (*Definitions*) of the Terms and Conditions.*

Monthly Reports

The Collateral Administrator, not later than the fifteenth calendar day (or if such day is not a Business Day, the immediately following Business Day) of each month (save in respect of any month for which a Payment Date Report has been prepared) commencing in the month immediately after the month in which the Effective Date occurs on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile and provide to the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser, each Hedge Counterparty and each Rating Agency, and upon request therefor in accordance with Condition 4(f) (*Information Regarding the Collateral*), to any Noteholder and which shall be made available via a secured website currently located at http://tss.sfs.db.com/investpublic (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, Trustee, Collateral Manager, Initial Purchaser, Hedge Counterparties, Rating Agencies and Noteholders from time to time), a monthly report (the "**Monthly Report**"), which shall contain, without limitation, the information set out below with respect to the Portfolio (and, where applicable, the Notes), determined by the Collateral Administrator as at the last Business Day of each month in consultation with the Collateral Manager.

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations and Eligible Investments representing Principal Proceeds;

(b) the Collateral Principal Amount of the Collateral Obligations;

(c) the Adjusted Collateral Principal Amount of the Collateral Obligations;

(d) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, its Principal Balance, Market Value, LoanX ID, ISIN or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility name, Collateral Obligation Stated Maturity, Obligor, the Domicile of the Obligor, location of assets, location of security, S&P Recovery Rate, S&P Rating, Moody's Rating, Moody's Recovery Rate, Moody's Default Probability Rating and any other public rating (other than any confidential credit estimate) and its S&P industry category;

(e) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, whether such Collateral Obligation is a Secured Senior Loan, Secured Senior Bond, Unsecured Senior Loan, Second Lien Loan, Mezzanine Obligation, High Yield Bond, Fixed Rate Collateral Obligation, Corporate Rescue Loan, PIK Security, Current Pay Obligation, Defaulted Obligation, Revolving Obligation, Delayed Drawdown Collateral Obligation, Bridge Loan, Discount Obligation or Swapped Non-Discount Obligation;

(f) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Enhancement Obligation and Exchanged Equity Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Collateral Obligation Stated Maturity, Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto;

(g) subject to any confidentiality obligations binding on the Issuer, the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Obligations, Collateral Enhancement Obligations or Exchanged Equity Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition and the section in the Collateral Management and Administration Agreement pursuant to which such sale or other disposition was made), the Aggregate Principal Balances of Collateral Obligations released for sale or other disposition at the Collateral Manager's discretion (expressed as a percentage of the Adjusted Collateral Principal Amount and measured at the date of determination of the last Monthly Report) and the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Collateral Manager;

(h) subject to any confidentiality obligations binding on the Issuer, the purchase or sale price of each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation acquired by the Issuer and in which the Issuer has granted a security interest to the Trustee, and each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation sold by the Issuer since the date of determination of the last Monthly Report and the identity of the purchasers or sellers thereof, if any, that are Affiliated with the Issuer or the Collateral Manager;

(i) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Defaulted Obligation or Deferring Security or in respect of which an Exchanged Equity Security has been received since the date of determination of the last Monthly Report and the identity and Principal Balance of each CCC Obligation, Caa Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Restructured Obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the Restructuring Date and the identity and Principal Balance of each Restructured Obligation for which the Collateral Obligation Stated Maturity thereof falls after the Maturity Date of the Notes;

(k) the Aggregate Principal Balance of Collateral Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Collateral Manager has actual knowledge;

(l) in respect of each Collateral Obligation, its S&P Rating and Moody's Rating (other than any confidential credit estimate) as at (i) the date of acquisition; (ii) the date of the previous Monthly Report; and (iii) the date of the current Monthly Report;

(m) the Aggregate Principal Balance of Collateral Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record; and

(n) the Aggregate Principal Balance of all Collateral Obligations with a maturity date falling after the Maturity Date of the Rated Notes.

Accounts

(a) the Balances standing to the credit of each of the Accounts; and

(b) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts.

Hedge Transactions

(a) the outstanding notional amount of each Hedge Transaction and the current rate of EURIBOR;

(b) the amount scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date; and

(c) the then current Moody's rating and S&P rating in respect of each Hedge Counterparty and whether such Hedge Counterparty satisfies the Rating Requirements; and

Coverage Tests, Collateral Quality Tests and Reinvestment Overcollateralisation Test

(a) a statement as to whether each of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test and the Class E Par Value Test is satisfied and details of the relevant Par Value Ratios;

(b) a statement as to whether each of the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test is satisfied and details of the relevant Interest Coverage Ratios;

(c) a statement as to whether the Reinvestment Overcollateralisation Test is satisfied and details of the Class F Par Value Ratio;

(d) the S&P Weighted Average Recovery Rate and a statement as to whether the S&P Minimum Weighted Average Recovery Rate Test is satisfied;

(e) the Weighted Average Life and a statement as to whether the Weighted Average Life Test is satisfied;

(f) the Weighted Average Floating Spread (shown as including and excluding the Aggregate Excess Funded Spread), (together with the details of the applicable Recovery Rate Case and S&P Matrix Spread) a statement as to whether the Minimum Weighted Average Floating Spread Test is satisfied and the amount of the Aggregate Excess Funded Spread;

(g) the Minimum Weighted Average Coupon, the Weighted Average Coupon and the Excess Weighted Average Floating Spread, (together with the details of the applicable Recovery Rate Case and S&P Matrix Spread) and a statement as to whether the Minimum Weighted Average Coupon Test is satisfied;

(h) so long as any Notes rated by Moody's are Outstanding, the Adjusted Weighted Average Moody's Rating Factor and a statement as to whether the Moody's Maximum Weighted Average Rating Factor Test is satisfied;

(i) so long as any Notes rated by Moody's are Outstanding, (i) the Weighted Average Moody's Recovery Rate and a statement as to whether the Moody's Minimum Weighted Average Recovery Rate Test is satisfied and (ii) subject to any confidentiality undertakings binding on the Issuer, with respect to each Collateral Obligation, (A) the name of the Obligor; (B) the Moody's Default Probability Rating (if public); (C) the name of the Collateral Obligation as documented in its Underlying Instrument (or, where it is not practicable to provide this information, such information shall, upon request from Moody's, be provided to Moody's in the event that Moody's is unable to map such name to its database); (D) the seniority of the Collateral Obligation; (E) the Moody's Rating of the Collateral Obligation (if public); and (F) the Moody's assigned recovery rate (if the relevant Collateral Obligation has a Moody's Rating which is public);

(j) so long as any Notes rated by Moody's are Outstanding, the Diversity Score and a statement as to whether the Moody's Minimum Diversity Test is satisfied;

(k) a statement identifying any Collateral Obligation in respect of which the Collateral Administrator has been advised that the Collateral Manager has made its own determination of "**Market Value**" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests; and

(l) the amount of any Trading Gains paid into the Interest Account since the previous Payment Date pursuant to the Conditions.

Portfolio Profile Tests

(a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied, together with details of the result of the calculations required to be made in order to make such determination which details shall include the applicable numbers, levels and/or percentages resulting from such calculations;

(b) the identity and Moody's rating and S&P rating of each Selling Institution, together with any changes in the identity of such entities since the date of determination of the last Monthly Report and details of the aggregate amount of Participations entered into with each such entity; and

(c) a statement as to whether the limits specified in the Bivariate Risk Table are met by reference to the Moody's ratings and S&P ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non-compliance.

Frequency Switch Event

A statement indicating whether a Frequency Switch Event has occurred on the relevant Frequency Switch Measurement Date as notified in writing to the Collateral Administrator by the Collateral Manager.

Risk Retention

(a) a statement that the Collateral Administrator has received written confirmation from the Retention Holder that:

(i) it continues to hold not less than five per cent. of the nominal value of each Class of Notes; and

(ii) it has not sold, hedged or otherwise mitigated its credit risk (including in relation to any financial arrangements it has entered into) under or associated with the Retention Notes or the underlying portfolio of Collateral Obligations, except to the extent permitted in accordance with the Retention Requirements; and

(b) confirmation of any other information or agreements supplied by the Retention Holder as reasonably required to satisfy the Retention Requirements from time to time, subject to and in accordance with the terms of the Risk Retention Letter.

CM Voting Notes / CM Non-Voting Notes

In respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes:

(a) the aggregate Principal Amount Outstanding of CM Voting Notes;

(b) the aggregate Principal Amount Outstanding of CM Non-Voting Exchangeable Notes; and

(c) the aggregate Principal Amount Outstanding of CM Non-Voting Notes.

Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile a report (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and delivered to the Collateral Manager, the Issuer, the Trustee, the Initial Purchaser, any holder of a beneficial interest in any Note (upon written request therefor in the form set out in the Agency Agreement certifying that it is such a holder), each Hedge Counterparty and each Rating Agency not later than the related Payment Date and which shall be made available via a secured website currently located at http://tss.sfs.db.com/investpublic (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, Trustee, Collateral Manager, Initial Purchaser, Hedge Counterparties, Rating Agencies and Noteholders from time to time). Upon receipt of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify the Irish Stock Exchange of the Principal Amount Outstanding of each Class of Notes after giving effect to the principal payments, if any, on the next Payment Date. The Payment Date Report shall contain the following information:

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the Collateral Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Obligations during such Due Period and (B) the disposal of any Collateral Obligations during such Due Period;

(b) subject to any confidentiality obligations binding on the Issuer, a list of, respectively, the Collateral Obligations and Collateral Enhancement Obligations indicating the Principal Balance and Obligor of each; and

(c) the information required pursuant to "Monthly Reports — Portfolio" above.

Notes

(a) the Principal Amount Outstanding of the Notes of each Class and such aggregate amount as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class at the beginning of the Accrual Period, the amount of principal payments to be made on the Notes of each Class on the related Payment Date, and the aggregate amount of the Notes of each Class Outstanding

and such aggregate amount as a percentage of the original aggregate amount of the Notes of such Class Outstanding after giving effect to the principal payments, if any, on the next Payment Date;

(b) the interest payable in respect of each Class of Notes (as applicable), including the amount of any Deferred Interest payable on the related Payment Date (in the aggregate and by Class);

(c) the Interest Amount payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on the next Payment Date; and

(d) EURIBOR for the related Due Period and the Rate of Interest applicable to each Class of Rated Notes during the related Due Period.

Payment Date Payments

(a) the amounts payable pursuant to the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Post-Acceleration Priority of Payments (as applicable);

(b) the Trustee Fees and Expenses, the amount of any Collateral Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis; and

(c) any Defaulted Currency Hedge Termination Payments and Defaulted Interest Rate Hedge Termination Payments.

Accounts

(a) the Balance standing to the credit of the Interest Account at the end of the related Due Period;

(b) the Balance standing to the credit of the Principal Account at the end of the related Due Period;

(c) the Balance standing to the credit of the Interest Account immediately after all payments and deposits to be made on the next Payment Date;

(d) the Balance standing to the credit of the Principal Account immediately after all payments and deposits to be made on the next Payment Date;

(e) the amounts payable from the Interest Account through a transfer to the Payment Account pursuant to the Priorities of Payments on such Payment Date;

(f) the amounts payable from the Principal Account through a transfer to the Payment Account pursuant to the Priorities of Payments on such Payment Date;

(g) the amounts payable from any other Accounts (through a transfer to the Payment Account) pursuant to the Priorities of Payments on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;

(h) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period;

(i) the purchase price, principal amount, redemption price, annual interest rate, maturity date of and Obligor of each Eligible Investment purchased from funds in the Accounts;

(j) the Principal Proceeds received during the related Due Period;

(k) the Interest Proceeds received during the related Due Period; and

(l) the Collateral Enhancement Obligation Proceeds received during the related Due Period.

Coverage Tests, Collateral Quality Tests, Portfolio Profile Tests and Reinvestment Overcollateralisation Test

(a) the information required pursuant to "*Monthly Reports — Coverage Tests, Collateral Quality Tests and Reinvestment Overcollateralisation Test*" above; and

(b) the information required pursuant to "*Monthly Reports — Portfolio Profile Tests*" above.

Hedge Transactions

The information required pursuant to "*Monthly Reports — Hedge Transactions*" above.

Risk Retention

The information required pursuant to "*Monthly Reports—Risk Retention*" above.

CM Voting Notes / CM Non-Voting Notes

The information required pursuant to "*Monthly Reports—CM Voting Notes / CM Non-Voting Notes*" above.

Frequency Switch Event

The information required pursuant to "*Frequency Switch Event*" above.

Miscellaneous

Each report shall state that it is for the purposes of information only, that certain information included in the report is estimated, approximated or projected and that it is provided without any representations or warranties as to the accuracy or completeness thereof and that none of the Collateral Administrator, the Trustee, the Issuer or the Collateral Manager will have any liability for estimates, approximations or projections contained therein.

In addition, the Collateral Administrator shall provide the Issuer with such other information and in such a format relating to the Portfolio as the Issuer may reasonably request and which is in the possession of the Collateral Administrator, in order for the Issuer to satisfy its obligation to make certain filings of information with the Central Bank and in respect of the preparation of its financial statements and tax returns.

TAX CONSIDERATIONS

1. General

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

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

2. Irish Taxation

Irish Taxation

The following is a summary based on the laws and practices currently in force in Ireland regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

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 TCA for certain interest bearing securities issued by a body corporate (such as the Issuer) which are quoted on a recognised stock exchange (which would include the Irish Stock Exchange) (**quoted Eurobonds**).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

(a) the person by or through whom the payment is made is not in Ireland; or

(b) the payment is made by or through a person in Ireland, and either:

(c) the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (e.g. Euroclear, Clearstream Banking SA and Clearstream Banking AG), or

(d) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to the person by or through whom the payment is made in the prescribed form.

So long as the Notes are quoted on a recognised stock exchange and are held in a recognised clearing system such as Euroclear, Clearstream Banking SA or Clearstream Banking AG (or, if not so held, payments on the Notes are made through a paying agent not in Ireland), interest on the Notes can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the quoted Eurobond exemption referred to above does not or ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax provided it is a qualifying company within the meaning of Section 110 of the TCA (a "**Qualifying Company**") and provided the interest is paid to a person resident in either (i) a member state of the European Union (other than Ireland) or (ii) a country with which Ireland has

signed a comprehensive double taxation agreement (such a country mentioned in either (i) or (ii) being a **Relevant Territory**). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain limited circumstances a payment of interest by the Issuer which is considered dependent on the results of the Issuer's business or which represents more than a reasonable commercial return can be re-characterised as a distribution subject to dividend withholding tax.

A payment of profit dependent or excessive interest on the Notes will not be re-characterised as a distribution to which dividend withholding tax could apply where, broadly, the Noteholder is either

(i) an Irish tax resident person;

(ii) a person 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;

(iii) neither a person which is a company which directly or indirectly controls the Issuer or which is controlled by a third company which directly or indirectly controls the Issuer nor is a person (including any connected person) (a) from whom the Issuer has acquired assets, (b) to whom the Issuer has made loans or advances, or (c) with whom the Issuer has entered into a return agreement (as defined in section 110(1) of the TCA) where the aggregate value of such assets, loans, advances or agreements represents 75 per cent. or more of the assets of the Issuer (such a person falling within this category of person being a Specified Person); or

(iv) an exempt pension fund, government body or other resident in a Relevant Territory person (which is not a Specified Person).

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank or other agent in Ireland on behalf of any Noteholder.

Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax and the universal social charge. Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a Relevant Territory provided either (i) the Notes are quoted Eurobonds and are exempt from withholding tax as set out above and the recipient is not a resident of Ireland (ii) in the event of the Notes not being or ceasing to be quoted Eurobonds exempt from withholding tax, if the Issuer is a Qualifying Company, or (iii) if the Issuer has ceased to be a Qualifying Company, the recipient of the interest is a company and the jurisdiction concerned imposes a tax that generally applies to interest receivable in that jurisdiction by companies from sources outside that jurisdiction.

In addition, provided that the Notes are quoted Eurobonds and are exempt from withholding tax as set out above, the interest on the Notes will be exempt from Irish income tax if the recipient of the interest is (i) a company under the control, directly or indirectly, of persons who by virtue of the law of a relevant territory are resident in that country and that person or persons are not themselves under the control whether directly or indirectly of a person who is not resident in such a country, or (ii) a company, the principal class of shares of such company, or another company of which the recipient company is a 75 per cent. subsidiary, is substantially and regularly traded on one or more recognised stock exchanges in Ireland or a relevant territory or a stock exchange approved by the Irish Minister for Finance.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Noteholders receiving interest on the Notes which does not fall within any of the above exemptions may be liable to Irish income tax and the universal social charge on such interest.

Capital Gains Tax

A holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is resident or ordinarily resident in Ireland or carries on a trade in Ireland through a branch or agency in respect of which the Notes are used or held.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland.

Bearer Notes are generally regarded as situated where they are physically located at any particular time. Registered Notes are generally regarded as situated where the principal register of Noteholders is maintained or is required to be maintained, but the Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they secure a debt due by an Irish resident debtor and they may be secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponer or the donee/successor.

Stamp Duty

Provided the Issuer remains a Qualifying Company no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes provided the money raised on the issue of the Notes is used in the course of the Issuer's business.

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. Noteholder**" 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. Noteholder**" is a beneficial owner of a Note that is:

- a non-resident 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 at least 183 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year).

This summary is based on interpretations of the Internal Revenue Code of 1986, as amended (the "**Code**"), regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any such change may be applied retroactively and may adversely affect the federal income tax consequences described herein. This summary addresses only holders that purchase Notes at initial issuance (and at their issue price) and beneficially own such Notes as capital assets and not as part of a "straddle", "hedge", "synthetic security" or a "conversion transaction" for federal income tax purposes, or as part of some other integrated investment. This summary does not discuss all of the tax consequences that may be relevant to particular investors (such as any alternative minimum tax consequences) or to investors subject to special treatment under the federal income tax laws (such as banks, thrifts, or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; mutual funds or real estate investment trusts; small business investment companies; S corporations; partnerships or investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal income tax purposes; investors whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; retirement plans or other tax-exempt entities, or persons holding the 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 operate so as not to be subject to U.S. federal income tax on its net income. In this regard, the Issuer will receive an opinion of Weil Gotshal & Manges LLP to the effect that, although no activity closely comparable to that contemplated by the Issuer has been the subject of any Treasury regulation, revenue ruling or judicial decision, if the Issuer and the Collateral Manager comply with the Trust Deed and the Collateral Management and Administration Agreement, including certain investment guidelines referenced therein (the "**U.S. Tax Guidelines**"), and certain other assumptions specified in the opinion are satisfied, the contemplated activities of the Issuer will not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes under current law. Failure of the Issuer to comply with the U.S. Tax Guidelines may not give rise to a Note Event of Default under the Transaction Documents and may not give rise to a claim against the Issuer or the Collateral Manager. In the event of such a failure, the Issuer could be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes. In addition, the U.S. Tax Guidelines permit the Issuer to receive advice from other 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

Upon the issuance of the Notes, the Issuer will receive an opinion of Cadwalader, Wickersham & Taft LLP to the effect that, based on certain assumptions, the Class A Notes, Class B Notes, Class C Notes, and Class D Notes will be treated, and the Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes. No opinion will be received with respect to the Class F Notes. The Issuer intends to treat the Rated Notes as indebtedness for U.S. federal, state, and local income and franchise tax purposes. The Issuer's characterisations will be binding on all Noteholders, and the Trust Deed requires the Noteholders to treat the Rated Notes as indebtedness for U.S. federal, state and local income and franchise tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that one or more Classes of Rated Notes are equity in the Issuer. If any Rated Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, then the Noteholders of those Notes would be subject to the special and potentially adverse U.S. tax rules applicable to U.S. equity owners in PFICs. See "— *Possible Treatment of Class E Notes and Class F Notes as Equity for U.S. Federal Tax Purposes*" below. Except as otherwise indicated, the balance of this summary assumes that all of the Rated Notes are treated as indebtedness of the Issuer for U.S. federal, state and local income and franchise tax purposes. Prospective investors in the Rated Notes should consult their tax advisors regarding the U.S. federal, state and local income and franchise tax consequences to the investors in the event their Rated Notes are treated as equity in the Issuer.

The Issuer intends to treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, and each holder by its purchase of a Subordinated Note agrees to treat the Subordinated Notes consistently with this treatment.

U.S. Federal Tax Treatment of U.S. Noteholders of Rated Notes

Class A and Class B Notes.

Stated Interest. U.S. Noteholders 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. Noteholders 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. Noteholders that use the accrual method of accounting or that otherwise are required to accrue stated interest before receipt will calculate the U.S. dollar value of accrued interest based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Noteholder's taxable year). Alternatively, a U.S. Noteholder can elect to calculate the U.S. dollar value of accrued interest based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Noteholder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Noteholder's receipt of the payment, the spot rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Noteholder and is irrevocable without the consent of the IRS.

Accrual basis U.S. Noteholders 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 euro-to-U.S. dollar spot exchange rate on the date such a payment is received differs from the rate used to accrue that interest income. 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. Noteholders 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. Noteholders will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, the average euro-to-U.S. dollar spot

exchange rate for the partial period within the U.S. Noteholder's taxable year). Alternatively, a U.S. Noteholder can elect to calculate the U.S. dollar value of OID based on the euro-to U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Noteholder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Noteholder's receipt of the payment of accrued OID, the spot rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Noteholder and is irrevocable without the consent of the IRS.

A U.S. Noteholder will be required to include OID in income as it accrues (regardless of the U.S. Noteholder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. It is possible, however, that the IRS could assert and a court could ultimately hold that some other method of accruing OID should apply. Accruals of OID on the Class A Notes and the Class B Notes will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of EURIBOR used in setting the interest rate for the first Payment Date, and then adjusting the accrual for each subsequent Payment Date based on the difference between the value of EURIBOR used in setting interest for that subsequent Payment Date and the assumed rate.

U.S. Noteholders 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 euro on their Class A Notes or Class B Notes to the extent that the euro-to-U.S. dollar spot exchange rate on the date a payment of accrued OID is received differs from the rate used to accrue that OID. 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. Noteholder of a Class A Note or Class B Note will have a 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. Noteholder 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. Noteholder 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. Noteholder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class A Note or Class B Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note on the date that the Note was acquired (based on the euro-to-U.S. dollar spot exchange rate on such date). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class A Note or Class B Note, a U.S. Noteholder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement (less any accrued and unpaid interest, which will be taxable as described above) and the holder's tax basis in such Note. 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). 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. Noteholder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Noteholders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Noteholders to offset capital losses against ordinary income is limited.

Class C Notes, Class D Notes, Class E Notes and Class F Notes.

Original Issue Discount. The Issuer will treat the Class C Notes, Class D Notes, Class E Notes and Class F Notes as issued with OID for U.S. federal income tax purposes. The total amount of OID with respect to a Class C Note, Class D Note, Class E Note or Class F Note will equal the sum of all payments to be received under such Note less its issue price (the first price at which a substantial amount of Notes within the applicable Class was sold to investors). U.S. Noteholders 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. Noteholders will calculate the U.S. dollar value of OID based on the average euro-to-U.S. dollar spot exchange rate during the applicable Accrual Period (or, with respect to an Accrual

Period that spans two taxable years, the average euro-to-U.S. dollar spot exchange rate for the partial period within the U.S. Noteholder's taxable year). Alternatively, a U.S. Noteholder can elect to calculate the U.S. dollar value of OID based on the euro-to-U.S. dollar spot exchange rate on the last day of the applicable Accrual Period (or, with respect to an Accrual Period that spans two taxable years, the euro-to-U.S. dollar spot exchange rate on the last day of the U.S. Noteholder's taxable year) or, if the last day of the Accrual Period is within five business days of the U.S. Noteholder'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. Noteholder and is irrevocable without the consent of the IRS.

A U.S. Noteholder 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. Noteholder's method of accounting) under a constant yield method. Accruals of any such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. Accruals of OID on the Class C Notes, Class D Notes, Class E Notes, and Class F Notes will be calculated by assuming that interest will be paid over the life of the applicable Class based on the value of EURIBOR used in setting the interest rate for the first Payment Date, and then adjusting the accrual for each subsequent Payment Date based on the difference between the value of EURIBOR used in setting interest for that subsequent Payment Date and the assumed rate. It is possible, however, that the IRS could assert, and a court could ultimately hold, that some other method of accruing OID on the Class C Notes, Class D Notes, Class E Notes, or Class F Notes should apply.

U.S. Noteholders 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 euro on their Class C Notes, Class D Notes, Class E Notes, or Class F Notes to the extent that the euro-to-U.S. dollar spot exchange rate on the date a payment of accrued OID is received differs from the rate used to accrue that OID. 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. Noteholder 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. Noteholder 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. Noteholder 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. Noteholder will generally recognise foreign currency exchange gain or loss on the receipt of any principal payments on a Class C Note, Class D Note, Class E Note or Class F Note prior to a sale, exchange, or retirement of such Note to the extent that the U.S. dollar value of each such principal payment (based on the euro-to-U.S. dollar spot exchange rate on the date any such payment was received) differs from the U.S. dollar value of the equivalent principal amount of the Note on the date that the Note was acquired (based on the euro-to-U.S. dollar spot exchange rate on such date). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Upon a sale, exchange, or retirement of a Class C Note, Class D Note, Class E Note, or Class F Note, a U.S. Noteholder will generally recognise gain or loss equal to the difference between the U.S. dollar value of the amount realised on the sale, exchange, or retirement and the holder's tax basis in such Note. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date of the sale, exchange, or retirement (based on the euro-to-U.S. dollar spot exchange rate on such date). 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. Noteholder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Noteholders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Noteholders to offset capital losses against ordinary income is limited.

Alternate 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. Noteholder'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. Noteholders 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. Noteholder 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. Noteholder 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. Noteholder'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. Noteholder also will be required to file an annual PFIC report. The Issuer will provide, upon request, all information and documentation that a U.S. Noteholder making a QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

If the Issuer holds any Collateral Obligations that are treated as equity in a foreign corporation for U.S. federal income tax purposes, and if the Class E Notes or Class F Notes are treated as equity in the Issuer, U.S. Noteholder of Class E Notes or Class F Notes, as applicable, 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. Noteholder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Noteholder, 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. Noteholders that have made QEF elections, and there can be no assurance that the Issuer can obtain such statements from the issuer of a Collateral Obligation, and thus there can be no assurance that a U.S. Noteholder 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. Noteholder 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. Noteholder'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. Noteholders 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. Noteholder of such Notes may be required to file an IRS Form 5471 with the IRS if the U.S. Noteholder 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. Noteholder 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. Noteholders may wish to file a "protective" IRS Form 5471 with respect to their Class E Notes or Class F Notes.

Prospective U.S. Noteholders 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. Subordinated Noteholders

Investment in a Passive Foreign Investment Company. The Issuer will constitute a PFIC for U.S. federal income tax purposes, and, U.S. Noteholders (other than certain U.S. Noteholders that are subject to the rules pertaining to a "controlled foreign corporation" described below) will be considered shareholders in a PFIC and be subject to the PFIC rules. U.S. Noteholders should strongly consider making an election to treat the Issuer as a QEF. Generally, a U.S. Noteholder 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. Noteholder makes a timely QEF election with respect to the Issuer, the electing U.S. Noteholder 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. Noteholder'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. Noteholder'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. Noteholder'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. Noteholder 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 "controlled foreign corporation" 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. Noteholder 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 non-deductible interest charge on the deferred amount. Prospective purchasers of Subordinated Notes should be aware that it is expected that the Collateral Obligations will include high-yield debt obligations and such instruments may have substantial OID, the cash payment of which may be deferred, perhaps for a substantial period of time. In addition, the Issuer may use proceeds from the sale of Collateral Obligations to retire other classes of Notes. As a result, in any given year, the Issuer may have substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. Noteholders 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. Noteholder makes a QEF election other than in respect of the first taxable year it holds Notes, the U.S. Noteholder 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. Noteholder making a QEF election with respect to the Issuer is required to obtain for U.S. federal income tax purposes.

A U.S. Subordinated Noteholder (other than certain U.S. Noteholders that are subject to the rules pertaining to a "controlled foreign corporation," 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. Noteholder's holding period (or a certain portion thereof) for the Subordinated Notes. The U.S. Noteholder 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. Noteholder's regular ordinary income tax rate will apply), regardless of the rate otherwise applicable to the U.S. Noteholder. Further, such U.S. Noteholder will also be liable for a non-deductible 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. Noteholder who has not made a QEF election with respect to the Issuer.

An "**Excess Distribution**" is the amount by which the distributions during a taxable year in respect of a Note exceed 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Noteholder'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. SUBORDINATED NOTEHOLDER SHOULD STRONGLY CONSIDER MAKING A QEF ELECTION WITH RESPECT TO THE ISSUER.

Investment in a Controlled Foreign Corporation. The Issuer will be a "controlled foreign corporation" ("**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. Subordinated Noteholder 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, 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 (based on the average euro-to-U.S. dollar spot exchange rate for the Issuer's 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. Noteholder 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. Noteholder for the period during which the Issuer remains a CFC and the U.S. Noteholder remains a 10 per cent. United States shareholder of the Issuer (the "qualified portion" of the U.S. Noteholder'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. Noteholder's holding period for the Subordinated Notes subsequently ceases (either because the Issuer ceases to be a CFC or the U.S. Noteholder ceases to be a 10 per cent. United States shareholder), then solely for purposes of the PFIC rules, the U.S. Noteholder'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. Noteholder 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. Noteholder and the beginning of the U.S. Noteholder's holding period for the Subordinated Notes will continue to be the date upon which the U.S. Noteholder acquired the Subordinated Notes, unless the U.S. Noteholder 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. Noteholder 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. Noteholder to comply with any filing requirements that arise as a result of the Issuer's classification as a CFC.

Indirect Interests in PFICs and CFCs. If the Issuer owns a Collateral Obligation that is treated as equity in a foreign corporation for U.S. federal income tax purposes, U.S. Subordinated Noteholders 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. Noteholder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Noteholder, 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. Noteholders 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. Noteholder will be able to make the election with respect to any indirectly held PFIC.

Accordingly, if the U.S. Noteholder has not made a QEF election with respect to the indirectly held PFIC, the U.S. Noteholder would be subject to the adverse consequences described above under "*—Investment in a Passive Foreign Investment Company*" with respect to the any Excess Distributions of such indirectly held PFIC, any gain indirectly realised by such U.S. Noteholder on the sale by the Issuer of such PFIC, and any gain indirectly realised by such U.S. Noteholder with respect to the indirectly held PFIC on the sale by the U.S.

Noteholder of its Subordinated Notes (which may arise even if the U.S. Noteholder realises a loss on such sale). Moreover, if the U.S. Noteholder has made a QEF election with respect to the indirectly held PFIC, the U.S. Noteholder will be required to include in income the U.S. dollar value of its *pro rata* share of the indirectly held PFIC's ordinary earnings and net capital gain as if the indirectly held PFIC were owned directly (as described above), and the U.S. Noteholder will not be permitted to use any losses or other expenses of the Issuer to offset such ordinary earnings and/or net capital gains. Accordingly, if any of the Collateral Obligations are treated as equity interests in a PFIC, U.S. Noteholders could experience significant amounts of "phantom" income with respect to such interests.

If a Collateral Obligation is treated as an indirect equity interest in a CFC and a U.S. Noteholder 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. Noteholder 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. Noteholder 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. Noteholder on the sale by the Issuer of the CFC, and the U.S. dollar value of gain realised by the U.S. Noteholder on the sale by the U.S. Noteholder of its Subordinated Notes (as described below), generally will be treated as ordinary income to the extent of the U.S. Noteholder'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. Noteholders 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. Noteholders 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. Noteholder is a 10 per cent. United States shareholder with respect to the Issuer, or a U.S. Noteholder makes a QEF election with respect to the Issuer, the U.S. Noteholder 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 Issuer's Rated Notes by the Issuer (including by reason of a Refinancing or any deemed exchange that occurs for U.S. federal income tax purposes as a result of a modification of the Trust Deed). U.S. Noteholders 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. Noteholder 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. Noteholders. Distributions in excess of such previously taxed amounts will be taxable to U.S. Noteholders 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 non-taxable return of capital, to the extent of the U.S. Noteholder'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. The amount of a distribution for these purposes is the U.S. dollar value of the distribution, based on the euro-to-U.S. dollar spot exchange rate on the date the distribution is received. In addition, a U.S. Noteholder 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 (based on the euro-to-U.S. dollar spot exchange rate on the date the distribution is 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. Noteholder 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. A U.S. Noteholder's tax basis in its Subordinated Notes initially will equal the U.S. dollar value of the amount paid by the U.S. Noteholder for the Notes (based on the euro-to-U.S. dollar spot exchange rate on the date of purchase, or the settlement date for the purchase of the Notes if the Notes are treated under applicable Treasury regulations as stock or securities traded on an established securities market and the U.S. Noteholder 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)). The U.S. Noteholder's tax basis in the Notes will be increased by amounts taxable to the U.S. Noteholder by reason of a 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 non-taxable return of capital, as described above.

In general, except as described below, a U.S. Subordinated Noteholder will recognise gain or loss upon the sale, redemption, or other disposition of a Subordinated Note (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 (based on the euro-to-U.S. dollar spot exchange rate on the date of sale, or the settlement date for the sale, redemption, or other disposition of the Note if the Note is treated under applicable Treasury regulations as a stock or security traded on an established securities market and the U.S. Noteholder 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)) and such U.S. Noteholder's adjusted tax basis in that Subordinated Note.

If the U.S. Noteholder has made a QEF election with respect to the Issuer, then, except to the extent the U.S. Noteholder is subject to the CFC rules, this gain or loss 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. Noteholder has held the Subordinated Notes for more than one year at the time of the disposition. In certain circumstances, U.S. Noteholders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Noteholders to offset capital losses against ordinary income is limited.

If a U.S. Noteholder 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. Noteholder is treated as a 10 per cent. United States shareholder of the Issuer, then any gain or loss realised by the U.S. Noteholder 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. Noteholder'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. Noteholder upon the sale, redemption, or other disposition of the U.S. Noteholder's Subordinated Notes.

Receipt of Euro. U.S. Noteholders 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. Noteholder 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. Noteholder 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. Noteholder 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. Noteholders generally will be required to file an annual PFIC report.

U.S. Noteholders 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. Noteholders 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. Noteholders who are individuals will be subject to reporting obligations with respect to their Notes if they do not hold their Notes in an account maintained by a financial institution and the aggregate value of their Notes and certain other "specified foreign financial assets" exceeds $50,000 at the end of the taxable year or $75,000 at any time during the taxable year. Significant penalties can apply if a U.S. Noteholder is required to disclose its Notes and fails to do so.

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

U.S. Noteholders that are individuals or estates and certain trusts are subject to an additional 3.8 per cent. tax on all or a portion of their "net investment income," or "undistributed net investment income" in the case of an estate or trust, which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married taxpayer filing a joint return (or a surviving spouse), $125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust (which, in 2015, is $12,300). The 3.8 per cent. Medicare tax is determined in a different manner than the regular income tax. U.S. Noteholders should consult their advisors with respect to the 3.8 per cent. Medicare tax.

FBAR Reporting

A U.S. Noteholder 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. Noteholder 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. Noteholder may be subject to this disclosure requirement. Failure to comply with this disclosure requirement can result in substantial penalties. U.S. Noteholders should consult their advisors with respect to the requirement to disclose reportable transactions.

U.S. Federal Tax Treatment of Non-U.S. Noteholders

In general, payments on the Notes to a Non-U.S. Noteholder 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. Noteholder 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. Noteholder in the United States, or (ii) in the case of gain, such Non-U.S.

Noteholders 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.

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. Noteholder only if the U.S. Noteholder (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. Noteholders that provide a correct, complete, and accurate IRS Form W-9 generally will be exempt from U.S. backup withholding.

A Non-U.S. Noteholder that provides an applicable IRS Form W-8, together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Noteholder and stating that the Non-U.S. Noteholder 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. Noteholder 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. Noteholder 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. There can be no assurance that the Issuer will be able to comply with the regulations. In addition, the intergovernmental agreement could be amended to require the Issuer to withhold on "passthru" payments to certain investors that fail to provide information to the Issuer or are "foreign financial institutions" that do not comply with FATCA.

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

Future Legislation and Regulatory Changes Affecting Noteholders

Future legislation, regulations, rulings or other authority could affect the federal income tax treatment of the Issuer and Noteholders. The Issuer cannot predict whether and to what extent any such legislative or administrative changes could change the tax consequences to the Issuer and to the Noteholders. Prospective Noteholders should consult their tax advisors regarding possible legislative and administrative changes and their effect on the federal tax treatment of the Issuer and their investment in the Notes.

4. EU Directive on the Taxation of Savings Income

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

payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident in that other 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, including Switzerland, ("**Third Countries**") and certain dependent or associated territories of certain member states ("**Dependent and Associated Territories**"), have adopted similar measures in relation to payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident in another member state, or certain Third Countries or Dependent and Associated Territories.

Investors should note that on 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the European Commission adopted an amending proposal to the EU Savings Directive, which, among other changes, seeks to extend the application of the EU Savings Directive to (i) payments channelled through certain intermediate structures (whether or not established in a member state) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to savings income. Member States are required to apply these new requirements from 1 January 2017. Further developments in this respect should be monitored on a continuing basis. Investors who are in any doubt as to their position should consult their professional advisers.

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on "employee benefit plans" subject thereto including entities (such as collective investment funds, insurance company separate accounts and some insurance company general accounts) the underlying assets of which include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of prudence, diversification, and that investments be made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code (collectively, "**Parties in Interest**")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

Governmental plans, certain church plans and certain non-U.S. plans, while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to substantially similar rules under Federal, state, local or non-U.S. laws, and may be subject to the prohibited transaction rules of Section 503 of the Code.

Under ERISA and a regulation issued by the United States Department of Labor (29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA), (the "**Plan Asset Regulation**"), if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established (a) that the entity is an "operating company," as that term is defined in the Plan Asset Regulation, or (b) that less than 25 per cent. of the total value of each class of equity interest in the entity, disregarding the value of any equity interests held by persons (other than Benefit Plan Investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee with respect to such assets (such as the Collateral Manager), and their respective affiliates (each a "**Controlling Person**"), is held by Benefit Plan Investors (the "**25 per cent. Limitation**"). A "**Benefit Plan Investor**" means (1) an employee benefit plan (as defined in Section 3(3) of ERISA), subject to the provisions of part 4 of Subtitle B of Title I of ERISA, (2) a plan to which Section 4975 of the Code applies, or (3) any entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity.

If the underlying assets of the Issuer are deemed to be Plan assets, the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of Parties in Interest, under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although it is not free from doubt, the Class A Notes, Class B Notes, the Class C Notes and the Class D Notes offered hereby will be treated by the Issuer as indebtedness with no substantial equity features for purposes of ERISA. The treatment of the Class A Notes, Class B Notes, Class C Notes and the Class D Notes as not being equity interests in the Issuer could, however, be affected, subsequent to their issuance, by certain changes in the structure or financial condition of the Issuer. However, the characteristics of the Class E Notes, the Class F Notes and the Subordinated Notes for purposes of the Plan Asset Regulation are less certain. The Class E Notes and the Class F Notes may and the Subordinated Notes will likely be considered "equity interests" for purposes of the Plan Asset Regulation.

Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in such Class E Notes, Class F Notes and the Subordinated Notes and any interests in such Notes. In reliance on representations made and deemed to be made by investors in the Class E Notes, Class F Notes and Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in the Class E Notes, Class F Notes and Subordinated Notes to less than 25 per cent. of the total value of the Class E Notes, Class F Notes and Subordinated Notes (determined separately by class) at all times (excluding for purposes of such calculation Class E Notes, Class F Notes and Subordinated Notes and interests therein held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E Note, Class F Note or Subordinated Note or an interest in any such Note will be required to make or be deemed to make certain representations regarding its status as a Benefit Plan Investor or Controlling Person and other ERISA matters as described under "Transfer Restrictions" below. No Class E Note, Class F Note or Subordinated Note will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25 per cent. or more of the total value of Class E Notes, Class F Notes or Subordinated Notes (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed).

Except as otherwise provided by the Plan Asset Regulation, each Class E Note, Class F Note and Subordinated Note (or interest therein) held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25 per cent. Limitation.

Even assuming the Class A Notes, Class B Notes, Class C Notes and the Class D Notes are not treated as equity interests in the Issuer for purposes of ERISA, it is possible that an investment in such Notes by a Benefit Plan Investor (or with the use of the assets of a Benefit Plan Investor) could be treated as a prohibited transaction under ERISA and/or Section 4975 of the Code. Such a prohibited transaction, however, may be subject to a statutory or administrative exemption. Even if an exemption were to apply, such exemption may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with an investment in the Notes by a Benefit Plan Investor.

Each of the Issuer, the Initial Purchaser, the Collateral Manager, or their respective Affiliates may be the sponsor of, or investment adviser with respect to one, or more Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, whether or not the Notes are treated as equity interests in the Issuer, the purchase of such Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, the Notes may not be acquired using the assets of any Plan if any of the Issuer, the Initial Purchaser, the Collateral Manager or their respective affiliates has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies or the transaction is not otherwise prohibited).

It should be noted that an insurance company's general account may be deemed to include assets of Plans under certain circumstances, *e.g.*, where a Plan purchases an annuity contract issued by such an insurance company, based on the reasoning of the *United States Supreme Court in John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank, 510 U.S. 86 (1993)*. An insurance company considering the purchase of Notes with assets of its general account should consider such purchase and the insurance company's ability to make the representations described above in light of *John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank*, Section 401(c) of ERISA and a regulation promulgated by the U.S. Department of Labor under that Section of ERISA, 29 C.F.R. Section 2550.401c-1.

Each purchaser and transferee of a Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note will be deemed to have represented, warranted and agreed that (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Other Plan Law**"), and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding or disposition of such Notes (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to a transferee acquiring such Notes (or interests therein) unless the transferee makes or is deemed to make the foregoing representations, warranties and agreements described in clause (i) hereof.

Each purchaser or transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Regulation S Global Note or Certificate or a Rule 144A Global Note or Certificate or any interests in such Note will be deemed to represent, warrant to the Issuer and the Trustee, (i) it is not, and is not acting on behalf of (and for so long as it holds such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer (which consent, without limitation, will not be given if such purchaser or transferee holding such Note would result in a material risk that 25 per cent. or more of the total value of the Class E Notes, Class F Notes or Subordinated Notes (determined separately by class) would be deemed to be held by Benefit Plan Investors for purposes of ERISA) and provides an ERISA certificate substantially in the form of Annex A to the Issuer as to its status as a Benefit Plan Investor or Controlling Person; and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such 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 (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Note or interest therein will not be, subject to any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law ("**Similar Law**") and (2) 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 (3) it agrees and will agree to certain transfer restrictions regarding its interest in such Notes.

Each purchaser or transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Definitive Note or Certificate will be required to (i) represent and warrant in writing to the Issuer and the Trustee (1) whether or not, for so long as it holds such Class E Note, Class F Note or Subordinated Note or interest therein, it is, or is acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as it holds such Class E Note, Class F Note or Subordinated Note or interest therein, it is, or is acting on behalf of, a Controlling Person and (3) that (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Class E Note, Class F Note or Subordinated 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 (b) if it is a governmental, church or other plan, (x) it is not, and for so long as it holds such Class E Note, Class F Note or Subordinated Note or interest therein will not be, subject to Similar Law and (y) its acquisition, holding and disposition of such Class E Note, Class F Note or Subordinated Note or interest therein will not constitute or result in a non-exempt violation of any Other Plan Law, (ii) agree to certain transfer restrictions regarding its interest in such Class E Note, Class F Note or Subordinated Note, and (iii) provide a completed ERISA Certificate in or substantially in the form of Annex A to the Issuer.

No transfer of an interest in Class E Notes, Class F Notes or Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation described above to be exceeded with respect to the Class E Notes, Class F Notes or Subordinated Notes.

Any Plan fiduciary considering whether to acquire a Note on behalf of a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code should consult with its counsel regarding the potential consequences of such investment, the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code and/or similar provisions of Other Plan Law, and the scope of any available exemption relating to such investment.

The sale of Notes to a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code is in no respect a representation or warranty by the Issuer, or any other person that this investment meets all relevant legal requirements with respect to investments by Plans or such other plans generally or any particular plan, that any prohibited transaction exemption would apply to the acquisition, holding, or disposition of this investment by such plans in general or any particular plan, or that this investment is appropriate for such plans generally or any particular plan.

PLAN OF DISTRIBUTION

Deutsche Bank AG, London Branch (in its capacity as initial purchaser, the "**Initial Purchaser**") has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of the Notes pursuant to the Subscription Agreement, at the following issue prices:

(i) Class A Notes, 99.74 per cent.;

(ii) Class B Notes, 99.69 per cent.;

(iii) Class C Notes, 99.04 per cent.;

(iv) Class D Notes, 96.47 per cent.;

(v) Class E Notes, 94.09 per cent;

(vi) Class F Notes, 90.05 per cent; and

(vii) Subordinated Notes, 100 per cent,

(in each case less subscription and underwriting fees to be agreed between the Issuer and the Initial Purchaser). The Subscription Agreement entitles the Initial Purchaser to terminate it in certain circumstances prior to payment being made to the Issuer.

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

It is a condition of the issue of the Notes of each Class that the Notes of each other Class be issued in the following principal amounts: Class A Notes: €179,500,000, Class B Notes: €33,500,000, Class C Notes: €18,000,000, Class D Notes: €15,500,000, Class E Notes: €21,000,000, Class F Notes: €10,750,000, and Subordinated Notes: €30,520,000.

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

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

No action has been or will be taken by the Issuer, the Initial Purchaser or the Collateral Manager that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any other offering material in relation to the Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Initial Purchaser.

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons or to U.S. Residents except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in the manner so as not to require the registration of the Issuer as an "investment company" pursuant to the Investment Company Act.

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

may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market.

The Notes sold in reliance on Rule 144A will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof. Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Initial Purchaser.

The Initial Purchaser has acknowledged and agreed that it will not offer, sell or deliver any Regulation S Notes to, or for the account or benefit of, any U.S. Person or U.S. Resident as part of their distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Regulation S Notes a confirmation or other notice setting forth the prohibition on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, any U.S. Person or U.S. Resident.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes of each Class on the Global Exchange Market of the Irish Stock Exchange. The Issuer and the Initial Purchaser reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Offering Circular to any such U.S. Person or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

The Initial Purchaser has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

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

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

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

(ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of the Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state and the expression "**Prospectus**

Directive" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

(b) *Denmark*: The Initial Purchaser has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any of the Notes to the public in Denmark unless in accordance with the Danish Securities Trading Act, Consolidation Act No. 855 of 25 August 2012 as amended from time to time and any Orders issued thereunder.

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

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

The Initial Purchaser has represented and agreed that:

(i) the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

(ii) neither this Offering Circular nor any other offering material relating to the Notes has been or will be:

(A) released, issued, distributed or caused to be released, issued or distributed to the public in France; or

(B) used in connection with any offer for subscription or sale of the Notes to the public in France.

(iii) such offers, sales and distributions will be made in France only:

(A) to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), all other than individuals, in each case investing for their own account, all as defined in, and in accordance with, Articles L.411-2, D.411-1, and L.533-20 of the French Code Monétaire et Financier ("**CMF**");

(B) to investment services providers authorised to engage in portfolio management on behalf of third parties; or

(C) in a transaction that, in accordance with Article L.411-2 of the CMF and Article 211-2 of the Règlement Général of the AMF, does not constitute a public offer.

(d) *Germany*: The Notes will not be registered for public distribution in Germany. This Offering Circular does not constitute a sales document pursuant to the German Capital Investment Act (*Vermögensanlagengesetz*). Accordingly, the Initial Purchaser has represented and agreed that no offer of the Notes will be made to the public in Germany. This Offering Circular and any other document relating to the Notes, as well as information or statements contained therein, will not be supplied to the public in Germany or used in connection with any offer for subscription of the Notes to the public in Germany or any other means of public marketing.

(e) *Hong Kong*: The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong. The Initial Purchaser has therefore represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a 'structured product' as defined in the Notes and Futures Ordinance (cap. 571) of Hong Kong) other than (a) to 'professional investors' as defined in the Securities and Futures Ordinance and any rules made under that ordinance ("**professional investors**"); or (b) in other circumstances which do not result in the document being a 'prospectus'

as defined in the Companies Ordinance (cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) It has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the Securities Laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

(f) *Ireland*: The Initial Purchaser has represented to and agreed with the Issuer that:

(i) 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) 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;

(ii) 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 2013 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;

(iii) 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 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank; and

(iv) 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 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank.

(g) *Israel*: This Offering Circular has not been approved by the Israeli Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute 'an offer to the public' under sections 15 and 15a of the Israel Securities Law, 5728-1968 (the "**Securities Law**").

The Initial Purchaser has represented and agreed that the Notes will be offered to a limited number of investors (35 investors or fewer during any given 12-month period) and/or those categories of investors listed in the First Addendum (the "**Addendum**") to the Securities Law, ("**Sophisticated Investors**") namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing the Notes for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing the Notes for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing the Notes for themselves), members of the Tel-Aviv Stock Exchange (purchasing the Notes for themselves or for clients who are Sophisticated Investors), underwriters (purchasing the Notes for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors, corporations, other than formed for the specific purpose of an acquisition pursuant to an offer, with a shareholder's equity in excess of NIS 50 million, and individuals in respect of whom the terms of item 9 in the Schedule to the Investment Advice Law hold true, investing for their own account, each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority.

(h) *Japan*: The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the FIEA) and the Initial Purchaser has represented and agreed that none of the Notes nor any interest therein will be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as

amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

(i) *Netherlands*: The Initial Purchaser has represented and agreed that it will not make an offer of the Notes which are the subject of the offering contemplated by this Offering Circular to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive, unless such offer is made exclusively to legal entities which are qualified investors (as defined in the Financial Supervision Act (*Wet op het financieel toezicht)* and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands, provided that no such offer of Notes shall require the Issuer or the Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "offer of Notes to the public" in relation to any Notes in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the section entitled "European Economic Area".

(j) *Norway*: The Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in Norway (the "**Norway Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in Norway except that it may, with effect from and including the Norway Relevant Implementation Date, make an offer of the Notes to the public in Norway at any time:

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

(ii) at any time to fewer than 100 or, if Norway has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Initial Purchaser for any such offer; or

(iii) in any other circumstances which do not require the publication by the Issuer or any other entity of a document pursuant to Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or the Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of the provision above, the expression an 'offer of notes to the public' in relation to any Notes in Norway means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in Norway by any measure implementing the Prospectus Directive in Norway and the expression 'Prospectus Directive' means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in Norway.

(k) *Singapore*: This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") nor have any arrangements described in the Offering Circular, which constitute a collective investment scheme for the purposes of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), been approved or registered with the AMS as an authorized or recognised CIS under the SFA (whether as a restricted scheme or otherwise). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Sections 274 and 304 of the SFA, (b) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(l) *Spain*: Neither the Notes nor the Offering Circular have been approved or registered with the Spanish Notes Markets Commission (*Comisión Nacional Del Mercado De Valores*). Accordingly, the Initial Purchaser has represented and agreed that the Notes will not be offered or sold in Spain except in

circumstances which do not constitute a public offering of notes within the meaning of Article 30-BIS of the Spanish Notes Market Law of 28 July 1988 (*LEY 24/1988, de 28 de julio, del Mercado de Valores*), as amended and restated, and supplemental rules enacted thereunder.

(m) *Sweden*: The Initial Purchaser has confirmed and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).

The Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in Sweden (the "**Sweden Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in Sweden except that it may, with effect from and including the Sweden Relevant Implementation Date, make an offer of such Notes to the public in Sweden:

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

(ii) at any time to fewer than 100 or, if Sweden has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Initial Purchaser; or

(iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or the Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of Notes to the public in relation to any Notes in Sweden means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in Sweden by any measure implementing the Prospectus Directive in Sweden, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in Sweden), and includes any relevant implementing measure in Sweden and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

(n) *Taiwan*: The Notes may be made available outside Taiwan for purchase by investors residing in Taiwan (either directly or through properly licensed Taiwan intermediaries acting on behalf of such investors) but may not be offered or sold in Taiwan.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed that such person acknowledges that this Offering Circular is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser of Notes represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and each purchaser of Notes represented by Definitive Certificates will be required to represent and agree, as follows:

(1) The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Notes for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described in the "**Notice**" to any subsequent transferees.

(2) The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (2) shall be null and void *ab initio*.

(3) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(4) In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator is acting as a fiduciary or financial or Collateral Manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator other than in this Offering Circular for such Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the

suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (f) the purchaser is a sophisticated investor.

(5) The purchaser and each account for which the purchaser is acquiring such Rule 144A Notes is a QP. The purchaser is acquiring the Rule 144A Notes in a principal amount of not less than €250,000. The purchaser and each such account is acquiring the Rule 144A Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The purchaser and each such account: (a) was not formed for the specific purpose of investing in the Rule 144A Notes (except when each beneficial owner of the purchaser and each such account is a QP); (b) to the extent the purchaser is a private investment company formed before April 30, 1996, the purchaser has received the necessary consent from its beneficial owners; (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made; and (d) is not a broker dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated issues. Further, the purchaser agrees with respect to itself and each such account: (x) that it shall not hold such Rule 144A Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes; (y) that it shall not sell participation interests in the Rule 144A Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Rule 144A Notes; and (z) that the Rule 144A Notes purchased directly or indirectly by it constitute an investment of no more than 40 per cent. of the purchaser's and each such account's assets (except when each beneficial owner of the purchaser and each such account is a QP). The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (5) will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.

(6) (a) With respect to the purchase, holding and disposition of any Class A Note, Class B Note, Class C Note or Class D Note, or any interest in such Note (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding or disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to an acquiror acquiring such Notes (or interests therein) unless the acquiror makes or is deemed to make the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(b) With respect to the Class E Notes, Class F Notes or Subordinated Notes in the form of a Rule 144A Global Certificate: (i) it is not, and is not acting on behalf of (and will not be, and will not be acting on behalf of) a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer (which consent, without limitation, will not be given if such purchaser or transferee holding such Note would result in a material risk that 25 per cent. or more of the total value of the Class E Notes, Class F Notes or Subordinated Notes (determined separately by class) would be deemed to be held by Benefit Plan Investors for the purposes of ERISA) and provides an ERISA Certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person; (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes or interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Notes or interests therein will not constitute or result in a non-exempt violation of any Other Plan Law; and (iii) it agrees and will agree to certain transfer restrictions regarding its interest in such Notes. Any purported transfer of such Notes in violation of the requirements set forth in this paragraph shall be null and

void *ab initio* and the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(c) With respect to acquiring or holding a Class E Note, Class F Note or Subordinated Note in the form of a Definitive Note or Certificate (i) (A) whether or not, for so long as it holds such Class E Note, Class F Note or Subordinated Note or interest therein, it is, or is acting on behalf of, a Benefit Plan Investor, (B) whether or not, for so long as it holds such Class E Note, Class F Note or Subordinated Note or interest therein, it is, or is acting on behalf of, a Controlling Person and (C) that (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Class E Note, Class F Note or Subordinated Note 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 Class E Note, Class F Note or Subordinated Note or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Class E Note, Class F Note or Subordinated Note or interest therein will not constitute or result in a non-exempt violation of any Other Plan Law, (ii) that it agrees and will agree to certain transfer restrictions regarding its interest in such Class E Note, Class F Note or Subordinated Note, and (iii) that it will provide a completed ERISA Certificate to the Issuer. Any purported transfer of the Class E Notes, Class F Notes or Subordinated Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the acquirer understands that the Issuer will have the right to cause the sale of such Class E Notes, Class F Notes or Subordinated Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(d) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager and the Collateral Administrator and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(7) In respect of a purchase or transfer of a CM Voting Note, or any interest in such Note, the purchaser or transferee understands that such CM Voting Note carries a right to vote with respect to matters concerning the Collateral Manager as set out in the Conditions and the Collateral Management and Administration Agreement.

(8) In respect of a purchase or transfer of a CM Non-Voting Note, or any interest in such Note, the purchaser or transferee understands that such CM Non-Voting Note does not carry a right to vote with respect to matters concerning the Collateral Manager as set out in the Conditions and the Collateral Management and Administration Agreement.

(9) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of, within the United States, persons, or outside the United States, U.S. Persons that are not QIB/QPs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Trustee with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, IN EACH CASE, TO A PURCHASER THAT (V) IS A

QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN NOTES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS 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 HEREIN, WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE

REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL NOTES ONLY*] EACH PURCHASER OR TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED (AND MAY BE REQUIRED) TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN, IT 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 (IN A FORM PROVIDED OR APPROVED BY THE ISSUER) TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS 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 NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN 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 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 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 ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (OR ANY INTEREST IN ANY SUCH NOTES) IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (OR INTEREST IN SUCH NOTES) TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN)

HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**") AS DETERMINED PURSUANT TO REGULATIONS OF THE U.S. DEPARTMENT OF LABOR AT 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE (OR ANY INTEREST) WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE / CLASS F NOTE / SUBORDINATED NOTE] WILL BE REQUIRED TO REPRESENT AND WARRANT IN WRITING TO THE TRUSTEE (IN A FORM PROVIDED OR APPROVED BY THE TRUSTEE) (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR AN INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CLASS E NOTE, CLASS F NOTE OR 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 NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR INTEREST HEREIN 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 SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES OR ANY INTEREST THEREIN WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE (IN A FORM PROVIDED OR APPROVED BY THE ISSUER) IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE 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 ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE

POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**") AS DETERMINED PURSUANT TO REGULATIONS OF THE U.S. DEPARTMENT OF LABOR AT 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR 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 ITS INTEREST IN THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO [CLASS A NOTES, CLASS B NOTES*,] CLASS C NOTES, CLASS D NOTES, CLASS E NOTES, AND CLASS F NOTES] THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE TRUSTEE AT DEUTSCHE TRUSTEE COMPANY LIMITED, WINCHESTER HOUSE, 1 GREAT WINCHESTER STREET, LONDON EC2N 2DB.

[*LEGEND TO BE INCLUDED IN RELATION TO CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF CM NON-VOTING EXCHANGEABLE NOTES OR CM-NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF CM VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

(10) 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.

(11) 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.

(12) The purchaser agrees to treat the Issuer and the Notes as described in the "*Tax Considerations — Certain U.S. Federal Income Tax Considerations*" section of the Offering Circular for all U.S. federal, state and local income tax purposes and to take no action inconsistent with such treatment unless required by law.

(13) The purchaser will timely furnish the Issuer and its agents with any U.S. federal income 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 it without, or at a reduced rate of, deduction or withholding, (B) to enable the Issuer or its agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments, and (C) to enable the Issuer or its agents to satisfy reporting and other obligations under the Code, Treasury regulations, and any other applicable law, and will update or replace such forms or certifications as appropriate. 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 from payments to the purchaser pursuant to applicable tax laws will be treated as having been paid to the purchaser by the Issuer.

(14) 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 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) 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 costs, charges, and 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.

(15) 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 represents that it either: (A) is not a bank (within the meaning of Section 881(c)(3)(A) of the Code); (B) after giving effect to its purchase of Class E Notes, Class F Notes, or Subordinated Notes (as applicable), it (x) will not directly or indirectly own more than 33-1/3 per cent., by number or 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 section 267(b) of the Code) 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 the Notes with respect to the Collateral Obligations if 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.

(16) 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)), represents that 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 Noteholder with an express waiver of this clause (16).

(17) No purchase or transfer of a Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate will be recorded or otherwise recognised unless the purchaser or transferee has provided the Issuer and the Trustee with certificates substantially in the form of Annex A hereto.

(18) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Noteholder or Non-Permitted ERISA Noteholder to sell its interest in the Notes or may sell such interest in its Notes on behalf of such Non-Permitted Noteholder or Non-Permitted ERISA Noteholder.

(19) The purchaser understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositaries.

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have made the representations set forth in clauses (3), (4), (6), (7), (8), (10) and (12) through (19) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes) and to have further represented and agreed as follows:

(1) The purchaser is located outside the United States and is not a U.S. Person.

(2) The purchaser understands that the Notes have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, the Initial Purchaser and any of their Affiliates, that, if it decides to resell, pledge or otherwise transfer such Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person (A) it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a nominal amount of not less than €250,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note and (B) that constitutes a QP; or (ii) to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.

(3) The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Notes will bear a legend set forth below.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000. FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN NOTES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY

DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS 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 HEREIN WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF,

AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN, IT 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 (IN A FORM PROVIDED OR APPROVED BY THE ISSUER) TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS 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 NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) 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 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 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 ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES OR ANY INTEREST IN SUCH NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES OR ANY INTEREST IN SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**") AS DETERMINED PURSUANT TO REGULATIONS OF THE U.S. DEPARTMENT OF LABOR AT 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42), OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION,

BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE REQUIRED TO REPRESENT AND WARRANT IN WRITING TO THE TRUSTEE (IN A FORM PROVIDED OR APPROVED BY THE TRUSTEE) (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS 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 NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN 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 SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS E NOTES, CLASS F NOTES, SUBORDINATED NOTES OR ANY INTEREST THEREIN WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE (IN A FORM PROVIDED OR APPROVED BY THE ISSUER) IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE 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 ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "**CONTROLLING PERSON**" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "**AFFILIATE**" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "**CONTROL**" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNISE ANY

SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**") AS DETERMINED PURSUANT TO REGULATIONS OF THE U.S. DEPARTMENT OF LABOR AT 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE, CLASS F NOTE OR 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 ITS INTEREST IN THE CLASS E NOTE, CLASS F NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO [CLASS A NOTES, CLASS B NOTES,] CLASS C NOTES, CLASS D NOTES, CLASS E NOTES, AND CLASS F NOTES*] THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE TRUSTEE AT DEUTSCHE TRUSTEE COMPANY LIMITED, WINCHESTER HOUSE, 1 GREAT WINCHESTER STREET, LONDON EC2N 2DB.

[*LEGEND TO BE INCLUDED IN RELATION TO CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF CM NON-VOTING EXCHANGEABLE NOTES OR CM-NON-VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[*LEGEND TO BE INCLUDED IN RELATION TO CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF CM VOTING NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

(4) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator and their Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(5) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

GENERAL INFORMATION

Clearing Systems

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

	Regulation S Notes		Rule 144A Notes	
	ISIN	Common Code	ISIN	CUSIP Code
Class A CM Voting Notes	XS1200235197	120023519	US05157BAA35	05157BAA3
Class A CM Non-Voting Exchangeable Notes	XS1200236161	120023616	US05157BAU98	05157BAU9
Class A CM Non-Voting Notes	XS1200236328	120023632	US05157BAV71	05157BAV7
Class B CM Voting Notes	XS1200236831	120023683	US05157BAC90	05157BAC9
Class B CM Non-Voting Exchangeable Notes	XS1200237300	120023730	US05157BAW54	05157BAW5
Class B CM Non-Voting Notes	XS1200237565	120023756	US05157BAX38	05157BAX3
Class C CM Voting Notes	XS1200237722	120023772	US05157BAG05	05157BAG0
Class C CM Non-Voting Exchangeable Notes	XS1200238373	120023837	US05157BAY11	05157BAY1
Class C CM Non-Voting Notes	XS1200238456	120023845	US05157BAZ85	05157BAZ8
Class D CM Voting Notes	XS1200238613	120023861	US05157BAL99	05157BAL9
Class D CM Non-Voting Exchangeable Notes	XS1200238704	120023870	US05157BBA26	05157BBA2
Class D CM Non-Voting Notes	XS1200239181	120023918	US05157BBB09	05157BBB0
Class E Notes	XS1196347501	119634750	US05157BAN55	05157BAN5
Class F Notes	XS1196348491	119634849	US05157BAQ86	05157BAQ8
Subordinated Notes	XS1196348731	119634873	US05157BAS43	05157BAS4

Listing

Application has been made to the Irish Stock Exchange for the approval of the final Offering Circular as Listing Particulars. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on the Global Exchange Market which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC. It is expected that the total expenses related to admission to trading will be approximately €7,000.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the board of Directors of the Issuer passed on 23 March 2015.

No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since its incorporation on 29 July 2014 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 29 July 2014.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.

Accounts

Since the date of its incorporation, the Issuer has not commenced operations other than in respect of entering into the warehouse agreements in respect of the acquisition of certain assets to be comprised in the Portfolio on or prior to the Issue Date and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified office of the Registrar during normal business hours. The first financial

statements of the Issuer will be in respect of the period from incorporation to 31 December 2015. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis and otherwise promptly on request that no Note Event of Default or Potential Note Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

Listing Agent

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 the Global Exchange Market of the Irish Stock Exchange.

Documents Available

Copies of the following documents may be inspected in electronic format at the registered offices of Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes

(a) the Memorandum and Articles of Association of the Issuer;

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

(c) the Agency Agreement;

(d) the Collateral Management and Administration Agreement;

(e) the Issuer Administration Agreement;

(f) each Monthly Report;

(g) each Payment Date Report;

(h) the Euroclear Security Agreement;

(i) the Risk Retention Letter; and

(j) each Hedge Agreement.

Post Issuance Reporting

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

Enforceability of Judgments

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

INDEX OF DEFINED TERMS

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ANNEX A
FORM OF ERISA AND TAX CERTIFICATE

The purpose of this ERISA and Tax Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the Class E Notes, Class F Notes or Subordinated Notes (determined separately by class) issued by Aurium CLO I Limited (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**") or (c) any entity whose underlying assets include "**plan assets**" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding and disposition of the Class E Notes, Class F Notes or Subordinated Notes. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

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 value of any class of its equity is held by Benefit Plan Investors.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code: _____ per cent.

AN ENTITY OR FUND THAT CANNOT PROVIDE THE FOREGOING PERCENTAGE HEREBY ACKNOWLEDGES THAT FOR PURPOSES OF DETERMINING WHETHER BENEFIT PLAN INVESTORS OWN LESS THAN 25 PER CENT. OF THE TOTAL VALUE OF THE CLASS E NOTES, CLASS F NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS), 100 PER CENT. OF THE ASSETS OF THE ENTITY OR FUND WILL BE TREATED AS "PLAN ASSETS."

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3 ☐ Insurance Company General Account. We, or the entity on whose behalf we are acting, are an insurance company purchasing the Class E Notes, Class F Notes or Subordinated Notes or interest therein with funds from our or their general account (*i.e.*, the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" under Section 401(a)

of ERISA for purposes of 29 C.F.R. Section 2510.3 101 as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**").

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" under Section 401(a) of ERISA for purposes of conducting the 25 per cent. test under the Plan Asset Regulations: _____ per cent. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100 PER CENT. IN THE BLANK SPACE.

4 ☐ None of Sections (1) Through (3) Above Apply. We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) through (3) above. If, after the date hereof, any of the categories described in Sections (1) through (3) above would apply, we will promptly notify the Issuer and the Trustee of such change, however, we understand and agree that any such notice will not cause the representation made in the previous sentence to be ineffective, to the extent that the 25 per cent. limitation described in the first paragraph of this certificate is exceeded.

5 No Prohibited Transaction. If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the Class E Notes, Class F Notes or Subordinated Notes or any interest therein 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 Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the Class E Notes, Class F Notes or Subordinated Notes or interest therein will not constitute or result in a non-exempt violation of any law or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

7 □ Controlling Person. We are, or we are acting on behalf of any of: (i) the Trustee, (ii) the Collateral Manager, (iii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iv) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (v) any "affiliate" of any of the above persons. "**Affiliate**" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "**Controlling Person.**"

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25 per cent. of the total value of the Class E Notes, Class F Notes or Subordinated Notes, the Notes held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

8 Compelled Disposition. We acknowledge and agree that:

(i) if any representation that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25 per cent. Limitation, the Issuer shall, promptly after such discovery (or upon notice from the Trustee if the Trustee makes the discovery (who, in each case, agree to notify the Issuer of such discovery, if any)), send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Noteholder within 10 days after the date of such notice;

(ii) if we fail to transfer our Class E Notes, Class F Notes or Subordinated Notes or interests therein, the Issuer shall have the right, without further notice to us, to sell our Class E Notes, Class F Notes or Subordinated Notes or our interest in the Class E Notes, Class F Notes or Subordinated Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Noteholder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Class E Notes, Class F Notes or

Subordinated Notes and selling such securities to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion;

(iv) by our acceptance of an interest in the Class E Notes, Class F Notes or Subordinated Notes, we agree to cooperate with the Issuer to effect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

(vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

9 Required Notification and Agreement. We hereby agree that we (a) will inform the Trustee of any proposed transfer by us of all or a specified portion of the Class E Notes, Class F Notes or Subordinated Notes or any interest therein and (b) will not initiate any such transfer after we have been informed by the Issuer or the Registrar in writing that such transfer would likely cause the 25 per cent. limitation to be exceeded. We hereby agree and acknowledge that after the Trustee effects any permitted transfer of Class E Notes, Class F Notes or Subordinated Notes (or interests therein) owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Trustee shall include such 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 or Subordinated Notes. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer and the Trustee to determine that Benefit Plan Investors own or hold less than 25 per cent. of the total value of the Class E Notes, Class F Notes or Subordinated Notes (determined separately by class) upon any subsequent transfer of such Notes in accordance with the Trust Deed.

11 Further Acknowledgement and Agreement. We acknowledge and agree that (i) all of the assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, Deutsche Bank AG, London Branch and the Collateral Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, Deutsche Bank AG, London Branch, the Collateral Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of Class E Notes, Class F Notes or 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 or Subordinated Notes or interests therein to any Benefit Plan Investor or Controlling Person unless the Trustee has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.

Note: Unless you are notified otherwise, the name and address of the Trustee is as follows:

Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London, EC2N 2DB.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

[Insert Purchaser's Name]

By: _____
Name:
Title:
Dated:

This Certificate relates to Euro [●] of Subordinated Notes

ANNEX B
S&P RECOVERY RATES

(a) (i) If a Collateral Obligation has an S&P Recovery Rating, or is *pari passu* with another obligation of the same Obligor that has an S&P Recovery Rating and is secured by the same collateral as such other obligation, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

S&P Recovery Rating of Collateral Obligation	Initial Rated Note Rating						
	Range from published reports	"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.

S&P Recovery Rate

(ii) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is an Unsecured Senior Loan or a Second Lien Loan and (y) the Obligor of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such Collateral Obligation 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 Collateral Obligation shall be determined as follows:

For Obligors Domiciled in Group A

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
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.....	0 per cent.	0 per cent.	0 per cent.	0 per cent.	0 per cent.	0 per cent.

S&P Recovery Rate

For Obligors Domiciled in Group B

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B" and below**
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	0 per cent.	0 per cent.	0 per cent.	0 per cent.	0 per cent.	0 per cent.

S&P Recovery Rate

For Obligors Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B" and below**
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	0 per cent.	0 per cent.	0 per cent.	0 per cent.	0 per cent.	0 per cent.

S&P Recovery Rate

(iii) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is not a Secured Senior Loan, a Second Lien Loan or an Unsecured Senior Loan and (y) the Obligor or issuer of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such Collateral Obligation that is a Senior Secured Debt Instrument that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Obligors Domiciled in Groups A, B and C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
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	0 per cent.	0 per cent.	0 per cent.	0 per cent.	0 per cent.	0 per cent.
6	0 per cent.	0 per cent.	0 per cent.	0 per cent.	0 per cent.	0 per cent.

S&P Recovery Rate

(b) If an S&P Recovery Rate cannot be determined using clause (a) above, the S&P Recovery Rate shall be determined as follows:

Recovery rates for Obligors Domiciled in Group A, B, C or D:

Priority Category	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and "CCC"
Secured Senior 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.
Secured Senior Loans that are Cov-Lite Loans, Secured Senior Bonds and Senior Secured Floating Rate Notes						
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 Senior 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.
High Yield Bonds						
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.

S&P Recovery Rate

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 Rate**" means in respect of any Collateral Obligation and each Class of Rated Notes the recovery rate determined in accordance with the Collateral Management and Administration Agreement or advised by S&P; and

"**S&P Recovery Rating**" means, with respect to a Collateral Obligation for which an S&P Recovery Rate is being determined, the "Recovery Rating" assigned by S&P to such Collateral Obligation based upon the tables set forth in this Annex A.

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